DCMA
Defense Contract Management Agency

Navy Special Emphasis Programs (NSEP)

QAR Instruction Training

Initial Introduction 2005

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Message from DCMA HQ

DCMA is focused on providing the best support to their customers. As NSEP QARs, through your in-plant actions, you help to ensure that customers receive their desired outcomes. The desired outcomes for the NSEPs is to increase the first pass yield at Navy Receipt Inspection Activities while preventing the delivery of nonconforming NSEP material to the Naval Nuclear Fleet. Our men and women who serve in the Nuclear Navy count on us to do our jobs to the best of our ability.

The recent accident of the USS San Francisco demonstrated and is a testimony to the importance of ensuring that the supplier base complies with all conditions of the NSEP contracts. Thanks to the critical design and program requirements of the Level I, SUBSAFE and Nuclear Propulsion Programs, she was able to survive the accident and surface. While many aboard were injured, only one life was lost. In the view of our NSEP customers, even one life, was one life too many.

Intro from DCMA HQ

DCMA NSEP QARs are the first line of defense in assuring mission success. As the customer's "Eyes and Ears" in-plant, NSEP QARs must strive to remain forever vigilant in their assigned duties. Yes, NSEP QARs are tasked with meeting more stringent requirements than QARs performing non-NSEP product assurance oversight, but for good reason.

The consequences of failure is too great!

As NSEP QARs you play a vital role in the success of *Team NSEP* and your efforts are supported by the NSEP Monitors, Coordinators and the HQ Program Manager.

Never hesitate to ask for help!

Intro from DCMA HQ

Achieving the customer's desired outcomes does not happen by chance. A successful NSEP in-plant program requires thorough up-front planning and diligent execution of oversight surveillances and inspections. Remember, maintaining continuous open lines of communication with your Navy customers, NSEP supplier base and supporting DCMA QARs and Staff prior to and throughout the life of the contract is paramount to the success of these critical Navy programs.

The NSEP QAR and PM Instructions covered herein were developed in concert with the NSEP Customers and reflect that level of in-plant effort determined necessary to provide maximum reasonable assurance that NSEP supplier operations and their products and services under DCMA's cognizance meet or exceed contractual quality and technical requirements.

Intro from DCMA HQ

In this regard, the QAR's Facility Surveillance and Inspection Plan should not be viewed as just another document or activity performed to satisfy a mandatory requirement. The FSIP is an instrument for communicating your commitment to excellence to your customers and yourselves. As such, it must be dynamic and ever evolving to adjust to changes in supplier operations, supplier performance history and customer feedback. It is your comprehensive plan for implementing all of the NSEP requirements contained in the NSEP QAR Instructions and invoked in the NSEP contracts.

Performance of your daily in-plant surveillances should be geared towards identifying opportunities to assist the suppliers in improving all operations to mitigate the likelihood of producing and delivering non-conforming product or services.

Intro from DCMA HQ

This is no easy task and not one to be taken lightly. Your ultimate customers, the men and women who serve in our Nuclear Navy, count on your unwavering compliance with imposed requirements, resistance to complacency and attention to detail to ensure the safe operation of these nuclear powered vessels.

Remember - **You are the heart of *"Team NSEP"***
supporting the Navy's "Team Sub",
and our Motto is:
"QUALITY, INTEGRITY and VIGILANCE",
because our
"FREEDOM DEPENDS ON IT!"

QAR Instruction

- **This instruction** provides direction for DCMA Quality Assurance Representatives (QARs) assigned in-plant quality assurance **oversight responsibilities for the Navy Special Emphasis Programs (NSEPs) work**.
- The NSEPs included in this Instruction are:
  - **Naval Nuclear Propulsion Program (NNPP)**
  - **Nuclear Plant Material (NPM) Program**
  - **Navy Level 1 (L1) Program, the Submarine Safety (SUBSAFE) Program**
  - **Navy Propulsion Program (NPP)**
  - **Deep Submergence Systems Program (DSSP)**
  - **Scope of Certification Program (SOC)**
  - **Fly By Wire (FBW)**

QAR Instruction

- **1.1. This is a compliance-based Instruction**. The granting of **waivers or deviations** from the mandatory requirements, as stated herein is **not permitted** at the District or Contract Management Office level.
- **1.2.** Some **NSEP contractors** have been **designated by** the Naval Sea Systems Command Technical Representative-Pittsburgh **(NSTR-PGH) as Principal Suppliers to the NNPP**, hereafter referred to as **Principal NSEP Suppliers** in this Instruction. DCMA personnel at **Principal NSEP Suppliers do not use this Instruction in its entirety**. Areas of this Instruction that apply to Principal NSEP Suppliers will be clearly identified.

QAR Instruction

- **1.3.** The **next revision** of this Instruction may include **more requirements** for DCMA's **in-plant oversight of the Deep Submergence Systems Program (DSSP), Scope of Certification (SOC) and Fly By Wire programs**. In the interim, **all DSSP, SOC and FBW work will be performed in accordance with the Level 1 and SUBSAFE requirements** of this Instruction in addition to any applicable customer imposed mandatory inspection and/or oversight requirements.
- **1.4.** The NSEP Points of Contact (POCs) within DCMA including their Roles and Responsibilities, the NSEP Customer POCs, **Enclosures 2 and 3 of the DCMA Quality Assurance Support of the NNPP (NNPP QA Memorandum of Agreement (MOA),** **(formerly known as the DLAR 8225.1) have been updated, incorporated, and as a result have been superseded by the DCMA NSEP Program Management Instruction. Enclosure 4** of the NNPP QA MOA has been updated, incorporated, and as a result have been **superseded by this Instruction**.

QAR Instruction

- **2.** Why/When: **DCMA performs oversight** of contractor's processes **to assess and assure contractor compliance with contract quality and technical requirements**. NSEPs require **maximum confidence** in the materials; components, documents and systems used on board submarines and nuclear powered surface vessels. These materials, components, documents and systems are **identified as essential to the safe operation of the nuclear fleet and are considered to have the highest level of criticality**. This level of criticality warrants additional oversight by DCMA personnel assigned to facilities with NSEP contracts/purchase orders. DCMA **Quality Assurance personnel must perform the work outlined herein in the manner prescribed on all NSEP contracts** assigned to DCMA for inspection and/or acceptance, unless directed otherwise by the delegating activity, or this instruction.

QAR Instruction

- 2.1. Customer Expectations, DCMA Functions, Process Controls, and NSEP Instruction Application - **This Instruction links customer expectations with DCMA processes and products**. It is to identify those products and processes that the QAR uses to influence the outcome of the contractors processes. It excludes those products and processes that the NSEP customers have determined add no value toward attaining their expectations.
- 2.2. Our customers have defined their expectations as – **The delivery of hardware and associated deliverable data that is in compliance with all contract administrative, quality and technical requirements resulting in an increase in supplier first pass yield at customer Receipt Inspection Activities (RIAs).** This in part is accomplished by:
  - **Open and regular communication to, from, and within DCMA**
  - **Insight on and in-plant floor-level oversight of supplier performance**
  - **Coordination of joint customer and DCMA actions**
  - **Open and real-time communications with the external NSEP customers addressing issues and concerns**

QAR Instruction

- 2.3. The QAR's processes and products that match these expectations are as follows:
- Facility Surveillance and Inspection Plan (FSIP) (3.1.)
- Contract Receipt and Review (3.2.)
- Quality Assurance Letters of Instruction (QALIs) and Letters of Delegation (LODs) (3.3.)
- Delegation of Government Source Inspection (GSI) (3.4.)
- Technical Review of Subcontract Purchase Orders (POs) (3.5.)
- Product Audit/Inspection (3.6.)
- Material Certification Review Process (3.7.)
- Supplier Audit Program (SAP) (3.8.)
- Process Surveillance Program (3.9.)
- Quality System/NSEP Program Evaluations (3.10.)
- Corrective Action Program (3.11.)
- Quality Data Evaluation (QDE) (3.12.)
- Training Program (3.13.)
- Other NSEP Requirements (Related Processes and Guidance) (3.14.)
- Specific NSEP Program Requirements - Subsections 1(NNPP), 2 (NPM), 3 (L1/SS/DSSP/SOC/FBW), and 4 (NPP)

QAR Instruction

- **2.3.1. The general requirements section of this Instruction contains the requirements that apply to all of the NSEPs, unless otherwise stated.**

- **2.3.2. Subsections 1 through 4** provide customer compliance requirements that **apply to the contractually applicable Navy Special Emphasis Program.**

QAR Instruction

- 2.4.1. **A NSEP contractor** is one who **receives direct prime contracts** from Government buying activities that include the **Naval Inventory Control Point - Mechanicsburg (NAVICP) (for NPM, L1/SS, or DSSP/SOC contracts), Government (Public) Shipyards and/or purchase orders from NNPP Prime Contractors and Private Shipyards. Subcontractors may be designated as NSEP contractors** by the customer or DCMA based on the criticality of the product.

QAR Instruction

- 2.4.2. The NSEP Instruction will have **limited application at infrequently active NSEP contractors.** An infrequently active NSEP contractor is one that exhibits; **breaks between NSEP contracts, supplies product with low complexity, and contracts having short term performance, or as otherwise noted by the customer.** In any case, the decision to **define an infrequent NSEP** contractor **will be coordinated with the Contract Management Office Navy Special Emphasis Programs Monitor (CMO NSEPM).** If there is a disagreement, the District Navy Special Emphasis Programs Coordinator (DNSEPC) will assist with determining if the full NSEP program is required. The **results of this communication will be documented by the QAR**. The CMO **NSEPM will notify the DNSEPC** when decisions of this type are made without involving the DNSEPC.

QAR Instruction

- **2.4.2.1.** Consequently, **QARs at infrequent NSEP contractors will perform the following <u>minimum</u> NSEP Instruction requirements in accordance with the referenced sections of this Instruction:**
  - **Contract Receipt and Review (3.2)**
  - **Quality Assurance Letter of Instruction (QALI) and Letters of Delegation (LOD) (3.3.)**
  - **Delegation of Government Source Inspection (3.4.)**
  - **Technical Review of Subcontract Purchase Order (3.5.)**
  - **Product Audit/Inspection (3.6.)**
  - **Process Surveillance Program (3.9.)**
  - **Corrective Action Program (3.11.)**
  - **Training and Qualifications (3.13.)**
  - **Other NSEP Guidance and Requirements (3.14.) as applicable**
  - **The applicable NSEP QAR Instruction Subsection**
  - **Perform SAP Checklists #6 and #15 when working on Level 1/SUBSAFE contracts**

QAR Instruction

3.1. Facility Surveillance and Inspection Plan (FSIP)

Section

QAR Instruction

- **3.1.1.** A FSIP is prepared to **identify the QAR's overall plan to evaluate quality system and product related processes.** Not only is it intended to provide a strategy for periodic evaluation, it is also a vehicle to document the QARs concerns as well as a format for communication and coordination of joint audits and inspections with the customer.

QAR Instruction

- **3.1.2.** QARs assigned to a NSEP contractor must **develop and maintain a FSIP that covers all of the applicable NSEP program requirements** that are contained in this Instruction. The following must be considered while developing or updating the FSIP with the exception of infrequent NSEP contractors (2.4.2):

- **3.1.2.1.** The FSIP is a **dynamic plan** that must be **formally updated**, as a minimum, **every six months**. **Updates will be based on factors** such as receipt of **new contract requirements**, **contractor's production activity** and the contractor's **quality and technical performance history**. Requirements identified by the customer/delegating activity via the QALI/LOD may necessitate more frequent FSIP updates. All **updates to the FSIP must be identified, dated and documented**. Interim updates to hard copies of the FSIP will be made in pen and ink.

QAR Instruction

- **3.1.2.2. A copy of the initial FSIP will be provided to the assigned CMO NSEPM** or the assigned DNSEPC, if no CMO NSEPM is currently assigned to the CMO, for their **review prior to initial distribution** to the affected NSEP Customers.
- **3.1.2.2.1. Once the initial FSIP** (prepared to meet the requirements of this revision of the QAR Instruction) **has been reviewed** by the CMO NSEPM or the DNSEPC, **the QAR will provide copies of the FSIP to the affected NSEP Customers** (including the Portsmouth Naval Shipyard (PNSY) RIA Code 136.2. Affected NSEP Customers are those who have open contracts with GSI invoked at that facility. The Points of Contact (POCs) list provides the names and addresses for the primary NSEP customers.

QAR Instruction

- **3.1.2.3. Subsequent updates to the FSIP** will also be **distributed to the affected NSEP customers** and the **CMO NSEPM and DNSEPC on a semi-annual basis**, for their information. Out of cycle significant updates/changes to the FSIP will be provided to the applicable NSEP customers upon incorporation into the QAR's FSIP.

- **3.1.2.3.1.** QARs will **ask the NSEP customers to review the FSIP's oversight plan and provide feedback** as to the acceptability of the FSIP as it relates to the method and level of quality and technical oversight required on their NSEP contracts.

QAR Instruction

- **3.1.2.4.** The FSIP should **ensure** that the **majority of QAR's time is focused on recurring process and manufacturing surveillances, other floor surveillance activities, product inspection and re-inspection**. The FSIP takes into account and outlines the oversight actions **in response to quality issues and concerns, problem areas** (based on Product Quality Deficiency Reports (QDRs)/Corrective Action Requests (CARs) and **in-plant observations, and new or revised processes** that **warrant special emphasis.** The actions specified in the FSIP are **biased to evaluate changes at the facility that may negatively impact contractor operations** (e.g., changes in personnel, workload, organization, procedural, environment, materials, new product line, etc.)

QAR Instruction

- **3.1.2.5.** To accomplish the objective defined above, the FSIP must be **developed using the results of QDE analysis**, SAP audit findings, on-going process surveillance, product audits/inspections and customer requirements/feedback.

- **3.1.2.5.1.** When preparing the FSIP, the **SAP audits** that will be **performed over the next six months** must be **entered into the SAP** database **as "pending" audits** in accordance with 3.8.5.1.2 of this instruction.

QAR Instruction

- **3.1.2.7. A daily walkthrough of the facility** (for resident QARs) or a walkthrough **on each visit** (for non-resident QARs) to **ascertain the contractor's level of activity** will be used to support the objectives of the FSIP. The insight gained by the QAR's walkthrough must be **used by the QAR in planning their NSEP oversight functions** and to adjust the FSIP, as necessary. Although not required, it is recommended that the QAR develop a system of documenting the daily/periodic walkthrough

QAR Instruction

- **3.1.2.8.** The FSIP outline describes those areas required for inclusion in the QAR's FSIP

- **Review of FSIP outline and input requirements shall be conducted after the review of all General requirements, after paragraph 3.14.1**

QAR Instruction

3.2. Contract Receipt and Review Section

QAR Instruction

- **3.2.1.** QARs performing oversight of NSEP work are obligated to ensure that the product and associated documentation required by the contract fully meets the terms and conditions of the contract or purchase order. After completion of an in-depth contract review, the QAR can begin the planning process for successful oversight and completion of the in-plant oversight functions detailed in this Instruction.
- **3.2.2.** The **QAR must review the contract or purchase order, delegation**, **or agency documents** to **determine what program requirements or certifications are invoked** and establish the applicable NSEP priorities based on customer and DCMA requirements, to include performing risk assessments (with the exception of NNPP orders) and identifying mandated test, certification and source or joint inspection and surveillance requirements.

QAR Instruction

- **3.2.3. QA MIS** Facility and Contract Profile data **will be reported** in accordance with the Supplier Quality Assurance Guidance for all prime and subcontract NSEP contracts/purchase orders/QALIs/LODs with the **applicable NSEP code (i.e., N1, N2, or N3 as applicable to NNPP orders, N4 for NPM orders and L1 for L1/SS orders).** If the applicable DCMA Contracts Management Office (CMO) has been **granted relief (waiver)** from using the Quality Assurance Management Information System (QA MIS) for the contract maintenance process, then the **CMO shall develop an equivalent system that readily identifies all of the NSEP contracts/purchase orders/QALIs/LODs within the cognizance of the CMO.**

QAR Instruction

- **3.2.4. Contract or purchase order review must be documented using The Contract Review Format or another similar tool that:**
  - **as a minimum, contains the same information.**
  - **ensures a thorough understanding of the scope of work and associated administrative and technical requirements .**
- **Review Contract Checklist**
  - **QAR questions**

QAR Instruction

- **3.2.5.** Records of contract or purchase order review must indicate which of the NSEPs are invoked in the contract or purchase order. The NSEPs have unique contract identifiers, which are contained in their respective Subsections to this Instruction and have been posted in the NSEP Instruction on the DCMA homepage. If any of the **NSEP contract identifiers are noted at time of initial contract review and if they are new to the facility, the QAR must advise their supervisor and their CMO NSEPM**.

- **3.2.5.1.** QARs with **new NPP contracts or purchase orders must notify the NPP Lead Agent.**

QAR Instruction

- **3.2.6.** The **QAR will not identify the NSEP** by using any NSEP program specifics in comments or notations entered **into Electronic Data Warehouse (EDW) or the Risk Assessment Management Program (RAMP).** If in doubt, the QAR must contact the DNSEPC, the CMO NSEPM and/or the PCO for further guidance in this matter.
- **3.2.7. Any NSEP contract/purchase order**, QALI, Individual Repair Parts Ordering Data (IRPOD) or any other ordering information/attachment **not received electronically** from Electronic Data Access (EDA)/EDW, **must <u>not</u> be scanned or entered in anyway into EDW.** CMO NSEPMs, QARs and their assigned Team Leaders and First Line Supervisors (FLS) must ensure that the CMO functional element responsible for scanning and entering data into EDW is aware of this requirement.

QAR Instruction

- **3.2.9.** In addition to performing a contract or purchase order review, the QAR will **conduct and document a "Quality Only" Post Award Conference when** any of the following conditions exist:
  - **New contractor**
  - **Infrequently active contractor**
  - **Contractor exhibits adverse quality/performance trends**
  - **First article or pre production tests required**
  - **Requested by the Procuring Contracting Officer (PCO) or delegating activity**

QAR Instruction

- **3.2.9.1. The QAR should notify the Quality and Technical Representatives** (reference Points of Contact) at the buying activity and Prime QAR (if working to a delegation) that a "Quality Only" Post Award has been scheduled with the supplier and **ascertain if they want to participate**. This action can assure that the invoked quality and technical terms and conditions of the contract are fully understood by the contractor. Lack of such assurance will increase the probability of rejections, production delays, and late deliveries.

QAR Instruction

3.3. Quality Assurance Letter of Instruction (QALIs) and Letters of Delegation (LODs)

Section

QAR Instruction

- **3.3.1. QALIs and LODs are issued by NSEP customers**, which include NAVICP for NPM, L1/SS, DSSP/SOC and NPP orders, NNPP Prime Contractors through the applicable NSTR or Assistant Naval Sea Command Technical Representative (ANSTR), Government and Private Shipyards, through their respective Supervisors of Shipbuilding, Conversion and Repair (SUPSHIPs), Naval Fleet Operations and QARs performing NSEP work. **These documents provide detailed instructions to the QAR** to perform specific tasks and oversight requirements to assure product quality and consistent process performance on the part of the contractor.

QAR Instruction

- **3.3.2. QARs must review all QALIs and LODs** upon receipt to **evaluate the NSEP customer/delegating activity imposed mandatory inspections and/or oversight requirements (MIs/ORs) being requested**. It should be noted that the QALIs and/or LODs are not the only mandatory requirements for the NSEPs. **This Instruction includes program and process specific sections and Subsections that contain mandatory requirements that must be performed, in addition to the mandatory inspection and/or oversight requirement on the QALI and/or LOD** (i.e., NPM, Level 1/SUBSAFE Subsection, Supplier Audit Program, etc.). In lieu of contract-by-contract issued QALIs, the specific NSEP Program Subsections also contain the standard QALI requirements, where applicable. Specific QALIs will be issued on a case-by-case basis.

QAR Instruction

- **3.3.3.** The **QAR must acknowledge receipt** of the QALI/LOD, as received, by returning the QALI/LOD acknowledgment form **to the customer/delegating activity within the timeframe specified** in the QALI/LOD. If no timeframe is specified, the QAR must return the acknowledgment form within 30 days of receipt.
- **3.3.4.** If the **place of performance is other than that stated in the contract/purchase order**, the QAR must **notify the customer/delegating activity in writing along with what functions will be delegated to the subcontractor QAR.** This also applies to subcontracting efforts to be performed outside of the continental United States (OCONUS).

QAR Instruction

- **3.3.5.** The **MIs/ORs** contained in the QALI/LOD have been **determined to be the minimum oversight needed** for that component based on the criticality of its use. In the event the imposed inspection requirements exceed those required of the contractor, the **QAR, with the customer/delegating activity approval, should adjust their inspections to a level equal to the contractor's inspection requirements**. Inclusion of incorrect requirements should continue to be referred to the PCO for resolution. The **QAR must adhere to the delegation until contract completion, or until relief is granted** in writing from the delegating activity and/or the customer.

QAR Instruction

- **3.3.6.** The QAR's signature on any contractor shipping document means that all Mandatory Inspection and oversight requirements including re-delegated MIs/ORs, have been performed for that shipment, the results of the MIs/ORs have been documented, and that the item(s) shipped meet all contractual requirements. In addition, at the **completion of the contract, a** Completion of Mandatory Inspection Requirements Form **will be completed, filed with the contract/purchase order and provided to the delegating activity when requested.**

QAR Instruction

- **3.3.7.** When **operations are performed by the contractor prior to receipt of the QALI/LOD**, and the MIs/ORs cannot be performed, the **QAR shall immediately contact the customer/delegating activity and notify them of the situation**. Upon customer/delegating activity approval, a record review of the MIs/ORs shall be performed promptly upon receipt of the QALI/LOD. The **customer/delegating activity shall be notified immediately if any nonconforming condition is found**.

QAR Instruction

- **3.3.8.** The **QAR must immediately notify their supervisor, the CMO NSEPM and the customer/delegating activity if the imposed MIs/ORs to include surveillances cannot be accomplished or if they were not performed**. If the QALI or LOD lacks sufficient/specific information regarding what is expected of the prime or subcontractor QAR(s), the customer/delegating activity must be contacted and clarification received before proceeding with the mandatory functions in the delegation requiring clarification. **If any MIs/ORs** (contained in the QALI, LOD, or within this Instruction) **have not been performed, the QAR must not authorize shipment** of any item without the written agreement of the customer.

QAR Instruction

3.4. Delegation of Government Source Inspection (GSI) Section

QAR Instruction

- **3.4.1.** Delegation of GSI is accomplished to assure that those unique quality product and system elements, identified by the Contracting Agency as important, are evaluated by DCMA regardless of the place of manufacturing and testing performance.

- **3.4.2.** Subcontract Purchase Order Review for Government Source Inspection Determination:

QAR Instruction

- **3.4.2.1.** The QAR is to ensure that a **system is in place for the contractor to provide subcontract purchase orders to the QAR for review.** The list of subcontract topics should be **limited to manufacturing and testing of deliverable hardware or consumables that become part of the final product** (i.e., weld wire, Non-Destructive Testing (NDT), plating, etc.). The QAR must request copies of the Contractor's Make/Buy List, or an equivalent planning document to assist the QAR in identifying orders that will require re-delegation of GSI requirements.

QAR Instruction

- **3.4.2.2.** QALIs and LODs must be reviewed to determine whether all MIs/ORs will be performed at the prime contractor's facility. Where the **place of manufacturing and/or testing performance is other than the prime contractor's facility**, and a **corresponding MI/OR or SAP audit applies to the subcontracted effort**, the QAR must **issue a LOD** as soon as the corresponding subcontract has been reviewed by the contractor and the QAR, and GSI has been invoked to facilitate planning and performance of the MI/OR by the subcontractor QAR.

QAR Instruction

- **3.4.2.3. GSI should not be invoked** on subcontract purchase orders for MIs/ORs or record reviews **that can be completed by the QAR at the prime contractor's facility**. LODs should only be issued for these types of oversight on a case-by-case basis when special concerns are either suspected or known.
- **3.4.2.4.** Should the prime contractor QAR determine that GSI is required; the QAR will request the contractor add the following statement or equivalent into the body of the subcontract:
- **"*Government Source Inspection is required during manufacture and prior to shipment from your facility. Upon receipt of this order, promptly notify the Government representative who normally services your facility so that appropriate planning for Government inspection can be accomplished. In the event a Government Representative or Government office cannot be located, our purchasing agent should be promptly notified.*"**

QAR Instruction

- **3.4.2.4.1.** The prime **QAR will issue a LOD for GSI** at the sub-tier suppliers **when any of the special processes identified in 3.9.4.1 thru 3.9.4.17. of this Instruction are performed by the contractor at the sub-tier level, at least once every two years**. This **LOD can not be used in lieu of performing delegated MIs.**

QAR Instruction

- **3.4.2.5.** Each LOD shall be issued through Government channels. **Transmittal of DCMA oversight requirements by attachment to or inclusion in the body of the subcontract is prohibited**. When the contractor amends a purchase order and there is no change to the original request for GSI, the changes may be forwarded directly to the subcontract QAR by the contractor. QARs should establish a system with the contractor to accomplish this task.

- **3.4.2.6. There are no automatic delegations for NSEP contracts and purchase orders. The QAR must delegate all packing, packaging, preservation, and marking requirements even when the place of performance is identified in the contract.**

QAR Instruction

- **3.4.3. Preparation of Letters of Delegation (LODs), Associated Requirements, and Closeout:**

- **3.4.3.1. All LODs shall include all applicable requirements identified in the original QALI or LOD as well as reference this Instruction and the applicable Subsections**. The LOD will **list the applicable SAP process audits and any other oversight requirements (i.e., process surveillance, product inspection, etc.) and their frequencies**, as determined appropriate and in accordance with this Instruction. In addition, the **LOD shall request** that the QAR at the subcontractor, forward **copies of all Levels II, III and IV CARs issued, to the delegating QAR**.

QAR Instruction

- **3.4.3.2.** The **LOD shall also include a statement** to the subcontractor QAR **that if they have been inactive in the NSEP for the past year, they are to notify the CMO NSEPM or DNSEPC, and request a site visit and refresher training upon receipt of the new NSEP subcontract and delegation.**

QAR Instruction

- **3.4.3.3. Delegation of SAP Audits** - The QAR must **re-delegate the performance of SAP process audits** to the QAR at the subcontractor actually performing the process to be audited (**reference the SAP paragraphs 3.8.5.1.and 3.8.5.2. for identification of mandatory re-delegated process audits).** The **LOD must reference paragraph 3.8. of this Instruction** to provide the subcontractor QAR instructions on performance, reporting and follow-up of SAP audits. In addition, the QAR must contact the lead customer or delegating activity when re-delegating the performance of these audits to ascertain if they would like to participate in the audit at the subcontractor.

QAR Instruction

- **3.4.3.4. Delegating QARs must request the subcontract QAR provide evidence (i.e. certification expiration dates or dates of training) of their NSEP training certifications (NPM or L1/SS, as well as their NDT qualification method(s), specification(s), and current status, if applicable).** This requirement must also be passed down if work goes beyond the first tier subcontractor. **Should the subcontract QAR fail to meet these minimum NSEP or NDT qualifications, the CMO NSEPM and/or DNSEPC will be notified**. Another acceptable alternative when the QAR lacks the required NDT qualifications is to have the QAR at the subcontractor request assistance in performing the delegated NDT functions from the local NDT Examiner or another QAR currently certified in the NDT method being delegated.

QAR Instruction

- **3.4.3.5.** The delegating **QAR is responsible to assure that the LOD is acknowledged by the sub-tier QAR within 30 days**. If follow up with the subcontractor QAR does not succeed in an acknowledgement, the delegating QAR will bring this issue to the attention of the CMO NSEPM or DNSEPC.

- **3.4.3.6.** The **LOD shall require the subcontractor QAR to forward a copy of the Completion of Mandatory Inspection Requirements Form when the order or delegated services are complete**. The QAR will also sign, stamp and date all shipping documents.

QAR Instruction

- **3.4.3.7.** When **deficient material is received from a subcontractor on a purchase order where GSI is invoked** (regardless of whether the deficiency was part of the GSI request), the **delegating QAR will verify the condition and notify the cognizant CMO NSEPM or DNSEPC and the QAR cognizant of the subcontractor.**

- **3.4.3.8.** _Standard Letter of Delegation is provided for the QAR's use.

- **Review Standard Letter of Delegation**

QAR Instruction

- **3.4.4. Additional Requirements for LODs for work OCONUS:**

- **3.4.4.1.** If the **subcontracted work is to be performed OCONUS, the QAR must notify the respective customer/delegating activity** so that special support arrangements can be made. Additionally, if not identified in the subcontract that any portion of the work will performed OCONUS, the **QAR will immediately notify the respective customer/delegating activity when it is discovered that all or a portion of the work is to be performed OCONUS.**

QAR Instruction

- **3.4.4.2.** The **QAR must also consult with the CMO NSEPM or the DNSEPC on developing all LODs** for oversight of subcontracted work OCONUS. All **OCONUS LODs shall be sent to the cognizant DCMA International Office** for their performance or delegation to the Host nation with a **copy to the appropriate customer/delegating activity and the CMO NSEPM or DNSEPC.**

- **3.4.4.2.1.** The **delegating QAR must request a copy of the delegation issued from the DCMA International Office to the Host Nation** to ensure that the re-delegation does not alter the request for support.

QAR Instruction

- **3.4.4.3. Information and data identified as NOFORN or Export Control must not be sent to QAR's, contractors or Host Nation personnel OCONUS**. Further, NAVICP-Mechanicsburg, Code 845 L1/SS contracts contain a clause in Section H of the contract entitled NAVICPHA04 which restricts the export of documents such as specifications, Technical Data Packages (TDP) etc., for L1 contracts. **Information marked as "No Foreign Nationals" (NOFORN) cannot be extracted and repackaged** by the QAR or contractors for dissemination OCONUS **without the written permission of the Naval Sea Systems Command Classification Authority.**

QAR Instruction

- **3.4.4.3.1.** If the **delegation is in support of the NNPP or NPM**, the QAR must ensure that **oversight will not be provided by foreign nationals when there is NOFORN material in the contract or the TDP**.

3.4.4.4. If the need to delegate a SAP audit results in a delegation to DCMA OCONUS, the delegating QAR will contact the CMO NSEPM and the servicing DCMA office to find out if the process audit can be performed. If not, the QAR must notify the customer/delegating activity that the audit cannot be performed.

- **3.4.4.5. NSEP LODs performed OCONUS must be performed by a U20 certified QAR.**

QAR Instruction

3.5. Technical Review of Subcontract Purchase Orders (SPOs)

Section

QAR Instruction

- **3.5.1. Technical reviews** of SPOs provide assurance as to the **quality of the product generated by the contractor's purchase orders**. These reviews provide assurance that the contractor has correctly translated pertinent and complete contractual administrative and technical requirements to the subcontractor.

- **Technical reviews are separate and different than purchase order reviews for GSI**. However, can be done on the same purchase order

QAR Instruction

- **3.5.2.** The QAR shall perform a **monthly technical review** of the contractor's purchase orders. These **reviews shall confirm inclusion of the correct and complete contract administrative and technical requirements to ensure proper flow down** of technical and quality requirements. **A minimum sample size of 5% or one per month, which ever is greater**, of the subcontract purchase orders shall be selected. Those selected for review shall include purchase orders for raw material (except standard commercial steels or aluminum requiring no special processing, such as heat treating, etc.) including high strength heat treatable materials and weld filler material, machining services, heat treating, NDT, plating, assembly, welding, and any other special processing and testing. Purchase orders for off-the-shelf items and qualified products list items other than weld wire need not be included. **Records of these reviews shall be maintained**.

QAR Instruction

3.5.3. The attributes that follow are the **minimum elements to be reviewed during the evaluation of the contractor's purchase order system** but are not intended to limit the QAR's observation of the contractor's performance:

- **3.5.3.1. Purchase orders are placed with approved subcontractors, when required.**
- **3.5.3.2. Required specifications and drawings (including revisions and amendments) are listed in the subcontract.**
- **3.5.3.3. Other contractually required pass-down requirements (e.g., mercury exclusion, GSI, terms and conditions, ordering data and material traceability, when required) are invoked in the subcontract, as applicable.**

QAR Instruction

- **3.5.3.4. Prime contractor exhibits material traceability controls through the proper flow down of material traceability requirements, as required by the invoked Data Item Descriptions (DIDs).**

- **3.5.3.5. Drawings/procedures listed in the subcontract are approved, when required.**

- **3.5.3.6. Proper identification, quantity, location of, and traceability identification of test specimens/samples when required.**

QAR Instruction

- **3.5.4.** The QAR will develop records that reflect their activity in the following areas. **As a minimum, the records should reflect:**
  - **Person performing the review**
  - **Date of review**
  - **Subcontract purchase order number**
  - **Subcontractor**
  - **Material, process, or product**
  - **Accept/reject (if rejected – traceability to the CAR issued)**
  - **GSI delegated**
  - **Acknowledgement received**
  - **Evidence of Completion of MIs/ORs at the sub-tier level**

- **3.5.4.1.** The **QAR will use** the aforementioned **records as part of their data when performing their Quality Data Evaluation** in accordance with 3.12. of this Instruction.

QAR Instruction

3.6. Product Audit/Inspection Section

QAR Instruction

- **3.6.1.** Product audit/inspection is the process used by DCMA to confirm that the product manufactured by the contractor complies with contract technical and quality requirements by independent verification of specific product or process characteristics.
- **3.6.2. QARs must perform the MIs/ORs imposed by the QALI/LOD and the program specific Subsections of this Instruction**, unless otherwise noted in the Instruction or the specific QALI/LOD.
- **3.6.3.** The QAR **shall not provide the contractor with copies of this Instruction, QALI/LOD, or FSIP**. The QAR will **provide the contractor only sufficient information to establish those inspection/witness points** at which the QAR must be notified to accomplish each mandatory inspection point and/or oversight requirement. QARs should make every attempt to **keep the number of notification and hold points to the absolute minimum necessary**.

QAR Instruction

- **3.6.4.** QARs shall not use any inspection equipment other than that provided by the contractor when performing in-process or final product acceptance inspection.
- **3.6.5.** Acceptance inspection by the **QAR shall not be performed prior to the contractor's inspection**, with the **exception of destructive testing. In these cases, the QAR can concurrently** observe the contractor's destructive testing process.
- **3.6.6. Appropriate contract documents along with the QALI/LOD/MIs, will be used for acceptance criteria.** The QAR shall perform and/or verify all product inspections in accordance with contract drawings and procedures. These documents will be traceable to the contract or subcontract purchase order.

QAR Instruction

- **3.6.7. Sampling will be used when authorized and the sample sizes will be in accordance with the contract or Table 1, which ever is more stringent**. In no case will the QAR's sample exceed the contractors. Each item shall have an equal chance of being selected. In addition, product inspections and oversight requirements with a **frequency of less than 100 percent shall be performed over the life of the contract/purchase order, not during a one time sample of the product.**
- **3.6.8.** The QAR must coordinate source or joint inspection and source certification with the customer, when required.
- **3.6.9.** The QAR performing mandatory NDT product inspections shall **indicate the individual's certification number from the DD Form 1902, Certificate of Qualification, after their signature and/or Government stamp on all documents (including the contractor's records)** relating to the NDT evaluation/inspection.

QAR Instruction

- **3.6.10. Performance of MIs/ORs will be documented** (E-1711) as the inspections/record reviews are performed on a contract-by-contract basis and will **contain the following minimum information**:
  - **Mandatory inspection performed (QALI/LOD identifier)**
  - **Contract/purchase order number**
  - **Description of component**
  - **Part number and revision number**
  - **Serial/lot and/or heat number, as applicable**
  - **Date of Inspection**
  - **Supplier procedure used (if applicable)**
  - **Lot and sample sizes**
  - **Acceptance or rejection (if rejected – traceability to the CAR issued)**
  - **Name of individual performing inspection (first initial and last name or unique individual code)**

- **3.6.10.1.** If requested by the customer, the QAR will provide copies of their inspection/surveillance oversight records to the affected NSEP customer, or a periodic summary (frequency as agreed to by the NSEP Customer and the QAR) of their inspection/surveillance oversight records.

QAR Instruction

3.7. Material Certification Review Process Section

QAR Instruction

- **3.7.1. Material Certification Review** is the process of assuring associated test and inspection reports support the product integrity and **will be performed in accordance with the material certification review process description in 3.7.3.** below.

- **3.7.2. Material Certification Review will be performed on all Reports of Test and Inspection (ROTIs) when specified in the mandatory inspection and/or oversight requirement provided by the customer.** This process should not be routinely re-delegated. Instead, the process should be considered for re-delegation on a case-by-case basis when concerns warrant re-delegation.

QAR Instruction

- **3.7.3.** The performance of material verification is supported by a thorough understanding of the contract requirements. **The Material Certification Review Process description provides a process to prepare for and to perform material verification**. It may not be all inclusive and can be supported by the use of other tools or the contractually invoked DIDs. **The QARs must document the method used and the specific attributes verified**. QARs are encouraged to contact their CMO NSEPMs or the DNSEPCs if additional assistance is required when performing this process.

- In the near future, "other tools" link will provide a variety of material certification review checklists.

- **Review the Material Review Process Document**

QAR Instruction

- **3.7.4. Records of material verifications will be maintained with Product Audit/Inspection records and will be provided to the affected NSEP customers** (including Portsmouth Naval Shipyard's Receipt Inspection Activity for all L1/SS/DSSP/SOC contracts) when requested, or on a periodic basis as agreed to by the QAR and the affected NSEP customers. (When requested) **(Note: This includes providing copies of Product Audit/Inspection Records, when required by MI or requested by NSEP Customer)**
- **3.7.5. Material traceability must be maintained throughout the manufacturing process on all L1/SS contracts**. When the QAR identifies that a **L1/SS supplier has lost control of material traceability, the QAR will issue a Level II CAR,** as a minimum. If the supplier identifies the loss of material traceability, the QAR , may or may not issue a CAR, depending on the circumstances and the extent of the problem. In either case, **the supplier must submit a request for waiver or deviation to the affected buying activity, to obtain direction on how to re-establish material traceability.**

QAR Instruction

3.8. Supplier Audit Program (SAP) Section

QAR Instruction

- **3.8.1.** The intent of the **SAP is to provide a format for periodic in-depth evaluations of important quality assurance and manufacturing and inspection processes** in an effort to emphasize the importance of maintaining effective controls on these critical processes and to reduce the number of repetitive audits at critical Navy contractors.
- **3.8.2. QARs cognizant of active NSEP contractors will implement the SAP process, report audit results, and perform audit follow up efforts on corrective action requests as defined in this Instruction.** QARs cognizant of Principal NSEP contractors will perform and report SAP audits only when delegated by the customer or SAP participant. Prior to performing any SAP audit at a Principal NSEP contractor, NSTR-PGH shall be contacted, for direction.

QAR Instruction

- **3.8.3.** SAP Database Access - **QARs will first have to obtain a user identification number (ID)** and password from the Naval Sea Logistics Center Detachment Portsmouth's (NAVSEALOGCEN-DET-PTSMH) web-site. This can be done electronically from the NAVSEALOGCEN-DET-PTSMH homepage by selecting and completing the "User Access Request Form", and faxing the completed form to the number on the form. QARs must request access to the Navy's Product Data Reporting and Evaluation Program (PDREP), PQDRs and SAP (specifically request input and editing capability). If electronic transmission is not an option for obtaining a user ID or for electronically entering audit results, the user request and audit results can be faxed to: (603) 431-9460, Attn: Technical Data Analysis Division. Questions on this application process can be directed to the NAVSEALOGCEN-DET-PTSMH Helpdesk at (603) 431-9460 X486, DSN 684-1690 X486.

QAR Instruction

- **3.8.3.1.** Once a user ID and password is obtained, the SAP process audit results can be reviewed and entered into the SAP database via the web by logging onto NAVSEALOGCEN-DET-PTSMH homepage and opening the Supplier Audit Program option under applications.
- **3.8.3.2.** The current SAP Instruction Guide, Auditor's Guide, Process Audit Cover Sheet, Process Audit Checklists and Cage Code, Supplier Name information must be obtained from the NAVSEALOGCEN-DET-PTSMH homepage, or from the General Dynamics Electric Boat Division's (EB) SAP web site . The NAVSEALOGCEN site also has a link to the GDEB SAP site.
- **3.8.3.3.** The **QAR must obtain the latest version of the SAP process audit checklists from either of these web sites** to ensure that they are using the most current revision of the checklist. The checklists are now available in word format and QARs are encouraged to download the checklist and complete it off-line to avoid timing-out while trying to enter data on-line.
- **3.8.3.4.** All input and system requirements are found in the current SAP Instruction Guide**.**

QAR Instruction

- **3.8.4.** SAP Auditor Training Requirements - **Prior to performing the SAP audits the QARs must review the SAP auditor training material and guidelines on the Navy's SAP web-site, noted above**. Additional guidance on SAP can be found in Chapter 6 of NAVSO P-3683 at the NAVSEALOGCEN SAP web page.
- **3.8.5.** SAP Process Audit Requirements - The **SAP websites provide a list of process audit topics and corresponding process audit checklists for use in performing the SAP (and other) process audits**. QARs are required to **determine the applicable process audit topics that apply** to each NSEP contractor (and Principal NSEP contractor, when delegated) facility, based on the technical and quality requirements of contract, from the following list:

QAR Instruction

- 1. Metallurgical/Chemical Laboratory Testing *
- 2. Hydrostatic Testing *
- 3. Nondestructive Testing * ^
- 4. Calibration
- 5. Inspection and Testing
- 6. Material Control (Including L1/SS) *
- 7. Document and Data Control
- 8. Painting and Surface Preparation*
- 9. Control of Suppliers/Subcontractor's Flow Down of Customer Requirements *
- 10. First Article, Factory Acceptance and Individual Acceptance Testing*
- 11. Receiving Inspection
- 12. Nonconforming Material Control
- 13. Component/System Cleanliness*
- 14. Torque*
- 15. Supplier Control of Objective Quality Evidence and Material Traceability *
- 16. Packaging and Preservation *
- 17. Final/Ship out Inspection *
- 18. Electrical Testing*
- 19. Flame Spray*
- 20. Customer Contract/Purchase Order Control *
- 21. Internal Quality Audits
- 22. Welding * ^
- 23. Heat Treat * ^
- 24. Plating * ^
- 25. Soldering Controls * ^
- 26. Fastener Test Methods ASTM F606* ^
- 27. Teflon Coating* (Repair of Ball Valves) ^
- 28. Braze/Brazing Process * ^

QAR Instruction

- **3.8.5.1.** The aforementioned **process audits must be performed at NSEP contractors and subcontractors** (and Principal NSEP Suppliers, only when delegated). **All applicable process audits shall be performed initially, starting with the processes in bold text above**, unless serious problems exist in other areas. Re-audits will be performed using the following audit frequency criteria:

QAR Instruction

- **3.8.5.1.1. Re-audit scheduling** of the remaining applicable process audits **must utilize a risk based approach and use the results of the QAR's evaluation of all available quality data**, to include the contractor's quality performance history, or delegated audits, in order to obtain a reasonable level of assurance that the contractor and their subcontractors are controlling the critical and special processes applicable to the NSEP contract(s). **Process Surveillance**, as established in the QAR's FSIP and described in paragraph 3.9 of this Instruction, **shall be performed and will constitute the continued evaluation of the SAP process**.
- **3.8.5.1.2.** When scheduling the SAP audits, the **QAR will enter the scheduled audit(s) to be performed over the next 6 months as "pending**" in the SAP database. Once the **audit is completed the QAR will utilize the SAP "edit" feature to retrieve the pending file and input the audit results, including attaching the completed checklist, summary sheet and any associated CARs, as applicable.**

QAR Instruction

- **3.8.5.1.3** The **delegation of the performance of these SAP processes are separate requirements from the Mandatory Inspections as stated in Subsections 2, 2A, and 3**. Witnessing the actual tests on a **specified number of items over the life of the contract or purchase order is not required**. A **sample of the items or product being audited for this process is sufficient to establish confidence that the process in is control.**
- **3.8.5.2.** The **processes in bold text above are the minimum process audits that must be audited using the SAP checklists every two** years at all contractors with NSEP contracts, including Distributors.

- **3.8.5.2.1. Checklists 6 and 15 must always be performed at suppliers and their sub-tier suppliers with infrequent L1/SS workload.**

QAR Instruction

- **3.8.5.3.** If the **process audits identified with a single * are performed by a subcontractor on NSEP orders, the QAR must issue a LOD for performance of the process audit in accordance with the required frequency**. The QAR and **subcontractor QARs must flow down the performance of these audits to the contractor who is actually performing the process.**
- **3.8.5.4. Those processes identified with a ^ designate processes that require notification to the Lead SAP Activity, Quality and Technical Departments within the Contracting Office (e.g., NAVICP Codes 8452 and 874, and NAVSEALOGCEN Code 0533), or Delegating Activity, prior to performing the audit, when the processes are sub delegated by the prime QAR. The purpose of the notification is to afford the Lead SAP, Contracting Office (Quality/Technical) or Delegating Activities the opportunity to participate or to provide technical assistance, to the sub-tier QAR.**

QAR Instruction

- **3.8.6.** Other SAP process audit planning and scheduling considerations - When planning for an audit of a SAP process, the QAR must access the SAP web site to see what process audits have been completed for any NSEP contractor (and principal NSEP supplier, when delegated). If the **SAP database shows that the process was audited within the past two years (depending on the minimum audit frequency specified above for that process) and the results were satisfactory, the QAR need not audit the SAP critical process**, at that time, **providing there have been no adverse quality trends or data for that process** since the audit was last performed. In these cases, the **QAR must annotate the FSIP to reflect justification for not performing the SAP audit**

QAR Instruction

- **3.8.6.1.** The QAR must **re-audit all or the applicable portion of a SAP process at any time when there has been a significant change in the process.** A **re-audit will also occur when the QAR or customer suspects, perceives, or identifies a problem** with all or a portion of the SAP process, **or the customer has requested a tighter auditing frequency due to poor quality history** in the audited or associated areas.
- **3.8.6.2.** QARs are encouraged to contact their CMO NSEPM, the DNSEPC, the Lead SAP Activity, or the delegating activity for **technical assistance in performing the audits for processes that the QAR lacks sufficient knowledge or certifications.**

QAR Instruction

- **3.8.7.** SAP Audit Schedule Documentation - **The process audit schedule must be documented in the QAR's FSIP.** The QAR must post planned audits as "pending audits" into the SAP database once the FSIP is developed and as updates to the FSIP are made. In order to update the pending audit the QAR must use the "edit" feature to access the previously entered data.

- **3.8.8.** SAP Process Audit Results - The **SAP process audit results must be entered by the QAR, or delegating activity**, via the web by logging onto NAVSEALOGCEN DET PNSY Home Page and opening the Supplier Audit Program option under applications.

QAR Instruction

- **3.8.8.1.** When in putting the **SAP audit results in to the SAP database the QAR must select "DCMA Audit"** to ensure that DCMA is credited with having performed the audit, either as an integral part of their NSEP in-plant program or in response to a delegation to perform the SAP audit (s).
- **3.8.8.2.** In completing the checklists, the **QARs must include narratives for the applicable elements, to include identifying what was reviewed, what was found, along with identifying the level of and number of any requests for corrective action.** QARs should use the word version of the checklists, save the file and complete it off-line. Once completed, the checklist must be attached to the applicable summary report in the SAP database.
- **3.8.8.3. QARs must input audit summary reports with the completed (word) SAP checklist and any Corrective Action Requests (CARs) issued for the audited process as attached files within 1 week after completion of audit.**

QAR Instruction

- **3.8.8.3.1.** If the QAR can not complete the SAP data entry for any reason, the partial input can be saved by selecting the "save and finish later" option. In order to retrieve the data for completion, the QAR must select the "edit" option to retrieve the document for completion.

- **3.8.8.4.** If electronic transmission is not an option for electronically entering audit results, the audit results can be faxed to: (603) 431-9464 Attn: Technical Data Analysis Division. The audit results may also be mailed to:

  NAVSEALOGCEN
  80 Daniels Street
  Suite 800
  Portsmouth, NH 03801
  Attn: Technical Data Analysis Division

QAR Instruction

- **3.8.8.5.** The QAR will perform the delegated audit as requested, within the specified timeframe, using the applicable SAP checklist. **The QAR, after inputting the audit results, will forward a copy of the completed audit report, including checklists with narratives and any CAR(s) to the delegating activity**. The QAR must retain a copy of the audit report and CAR(s), if applicable.

- **3.8.8.5.1.** When the **results of an audit are determined to be unsatisfactory , the QAR will advise all affected NSEP customers via an email message with a copy of the completed SAP audit cover sheet and checklist and attach a copy of the CAR**. When requested by the delegating activity, the QAR must provide status reports on the contractor's efforts to correct deficiencies noted on CAR(s).

QAR Instruction

- **3.8.8.6. When a private shipyard** (e.g., Northup Grumman Newport News (NGNNS) or General Dynamics Electric Boat (EB)) is the **lead audit activity for a SAP contractor and their assigned SUPSHIP has issued a delegation for DCMA to perform a SAP audit,** the **private shipyard is responsible for closing out any CAR(s) issued** as a result of the audit.

- **3.8.8.6.1.** The QAR should **challenge any delegations from SUPSHIP at the private shipyards that delegate all SAP audits or the delegation of SAP database entry, final acceptance and close-out of SAP CARs**. The QAR should ensure that sufficient time is granted to complete the requested audits.

QAR Instruction

- **3.8.8.7.** QARs performing a SAP process audit at the request of a SAP lead activity or a SAP participant, will regard the delegating activity as the lead activity for the audit. As such, the **lead activity is responsible for entering the completed SAP critical process audit checklists into the Navy's SAP database**, unless responsibility for entering all or a portion of the resultant audit data, including CAR data, follow-on CAR actions and final closure of the CAR in SAP is also delegated to the QAR.

QAR Instruction

- **3.8.8.8.** When the **SAP audit is performed at the sub-tier contractor** in response to a LOD from the QAR at the prime contractor, **the subcontractor QAR is responsible for entering the completed SAP audit summary report, audit checklist and all CAR data into the SAP database under the subcontractor's cage code.** The **QAR at the prime contractor will identify the delegated SAP audit as "pending" under the Prime Contractor's cage code**. Completion of Mandatory Inspection Requirements Form will be used **as notification to the Prime QAR of the completion of the delegated SAP audit. Upon notification of completion the Prime QAR will clear the "pending audit" field in the SAP database**.

QAR Instruction

- **3.8.9.** Joint SAP Process Audits - The QAR may be notified by the HQ NSEPM, DNSEPC, CMO NSEPM, Customer or Lead SAP Activity of pending SAP audit date(s) and areas to be reviewed. Every effort will be made to notify the QAR as far in advance as possible.

- **3.8.9.1.** DCMA is a **full-time participant throughout the SAP Audit when supporting joint SAP process audits and must team with Navy and Private/Public Shipyard personnel during these audits.**

- **3.8.9.2. QARs assigned to contractors on the Navy's Current SAP Supplier list must participate in the entire process audit(s) as scheduled and must conduct any requested follow-on and reporting functions**. This includes the status reporting of any outstanding CARs until all SAP audit related CARs have been satisfactorily closed out and verified by the QAR and/or lead activity.

QAR Instruction

- **3.8.9.3.** When **DCMA was unable to participate on an audit** conducted by either of the private shipyards, the **QAR will access the SAP database and evaluate the summary report and the attached checklist**. If the **checklist is not attached, the QAR must contact the identified SAP auditor and request a copy of the process audit findings** and any CAR(s) issued for the process(es) under review and verify the audit findings and determine the severity of the nonconformance found. This evaluation will determine the need for the QAR to re-audit the process and identify the required follow-up and process monitoring efforts. The **QAR must first verify that effective CA was taken by the supplier in response to the audit finding** and that the CAR has been closed out in the SAP database. **If the CAR is still open in the SAP database, the QAR must contact the SAP auditor or lead SAP activity and offer assistance in performing follow-up verification and closing out of the CAR.**

QAR Instruction

- **3.8.9.3.1.** Per the SAP procedures, **the lead activity is required to provide a copy of the audit findings to the assigned QAR for information and follow-up actions**, as deemed necessary to ensure correction of any noted deficiencies

QAR Instruction

- **3.8.10.** SAP Process Audit Corrective Action Requests and Follow-up Requirements - **When the results of a SAP audit are determined to be unsatisfactory**, **resulting in the issuance of written requests for corrective action, that may or may not adversely affect hardware, or for Level 1/SUBSAFE contracts, result in loss of material traceability, the Customer/delegating activity shall be notified of the issue and will provide further direction to the QAR**. The **customer or delegating activity must always be notified of unsatisfactory ratings for checklists 6 and 15**. When either of the aforementioned situations occur the **QAR must not ship NSEP product unless permission to ship is granted by the affected NSEP customer or delegating activity.**

QAR Instruction

- **3.8.10.1.** The **QAR must verify and report on the correction of all non-compliances found during independent and joint audits**, (when requested by the delegating activity). If a process or an **attribute within the process being audited is found to be non-compliant to contractual or contract established requirements, the appropriate level of corrective action must be issued** to the contractor. When either of these non-compliances is identified, **the process will be reported as unsatisfactory in the SAP database and a copy of the CAR (i.e., Level II and higher CARs) will be attached to the process audit report.**
- **3.8.10.2.** If the noncompliance was corrected on the spot (i.e., **Level I CAR) a synopsis of the noncompliance and actions taken will be reported in the Auditor's Overall Assessment section of the Process Audit Cover Sheet and the audit will be reported as satisfactory.**

QAR Instruction

- **3.8.10.3.** The **QAR must identify the CAR number assigned, the level of CAR issued and must attach a copy of the CAR to the SAP audit report in the SAP database**. Requests for contractor replies to SAP Audit CAR(s) should not exceed 30 days. CAR data must be updated every 30 days until final close-out.
- **3.8.10.4.** DCMA **QARs will also verify and update the SAP database to address the effectiveness of CA taken in response to CARs for SAP audit findings within 30 days of receipt of the contractor's CAR reply**. The SAP system will send out reminders to the lead activity and the QAR for CARs that are still open after 90 days of posting the audit results in the SAP database.

QAR Instruction

3.9. Process Surveillance Program Section

QAR Instruction

- **3.9.1.** The intent of the **process surveillance program is to evaluate the contractor's performance of product related and quality/manufacturing system processes in addition to the SAP critical process audits**. This includes ensuring that the supplier's processes and procedures address all applicable training, certification/recertification or qualification training is performed in accordance with the applicable military/commercial specifications/standards, procedures and work instructions. **Process Surveillance is the periodic recurring, direct observation of contractor personnel performing manufacturing, inspection, and test operations** for the purpose of assessing contractor and contractor personnel compliance with established methods, procedures, and requirements applicable to the contract/purchase order.

QAR Instruction

- **3.9.1.1.** QARs at NSEP contractors will deploy the Process Surveillance Program as defined in this Instruction. **Deployment involves the identification of those processes that apply to the facility, scheduling and performing surveillance, and recording the results of the QARs observations**. The schedule and frequency for performing these process surveillance process audits will be **included in the FSIP**.

QAR Instruction

- **3.9.2.** Schedule - **All processes applicable** to the product and quality/manufacturing system **will be evaluated using a schedule that is based on risk**. Accordingly, high risk rated processes should be evaluated more frequently that those rated as Moderate. **In no case should a process surveillance frequency exceed three months or at least once during the life of the contract or purchase order for infrequent contractors.** Scheduling should also consider the frequency that the process is performed. For infrequently performed processes the QAR will establish a notification point to ensure periodic evaluation of the process.

QAR Instruction

- **3.9.2.1.** Scheduling will assure that all of the **contractor's inspectors and operators are evaluated over a period of time. The goal for this facet of the scheduling process should not exceed a year**.
- **3.9.2.2.** There are some processes that last a considerable length of time. In these cases, **the entire process need not be evaluated during each process surveillance opportunity. However, over a period of time all attributes of the process must be evaluated and results documented**. Portions of the process may be evaluated commensurate with the QAR's oversight or plant visit schedule. As discussed above, in regard to evaluating the contractor's inspector and operator performance and all attributes/steps of the process, **the goals will be for each process to be evaluated from start to finish at least once a year or sooner depending on the complexity and timeline of the process.**

QAR Instruction

- **3.9.3.** Processes Surveillance Topics - **Process Surveillance shall include but not be limited to the processes (product and quality/manufacturing system related) provided in paragraphs 3.9.4 and 3.9.5 in addition to the twenty-eight (28) SAP processes identified in paragraph 3.8.5.** This list has been determined to comprise critical processes that require periodic oversight as they apply at the contractor's facility. The QAR will identify the applicable product related and quality/manufacturing system processes that apply along with other processes not listed that are used by the contractor on the contract/purchase order.

QAR Instruction

- **3.9.4. Product Related Processes -** As applicable to the contractor's operations, **surveillance shall involve observing and verifying compliance to the following manufacturing and testing processes, the SAP processes, along with any other processes identified by the QAR, and review of associated documents, as a minimum**, to confirm compliance with applicable military/commercial specifications/standards, procedures, CDRLs and work instructions:

- **3.9.4.1. Welding:**
  - General
  - Seal
  - Electron Beam
  - Tube to Tube sheet
  - Cladding
  - Hardfacing
  - Instrumentation and Control Structural Cabinets
  - Other types of welding
  -
  - 3.9.4.1.1. Welding Personnel Qualifications
  - 3.9.4.1.2. Weld Procedure Qualifications

QAR Instruction

- **3.9.4.2. Brazing:**

- 3.9.4.2.1. Brazing Procedure Qualifications
- 3.9.4.2.2. Brazing Personnel Qualifications

- **3.9.4.3. Lead pour**
- **3.9.4.4. Lead cladding**
- **3.9.4.5. Nondestructive Testing:**
  - Liquid Penetrant
  - Magnetic Particle
  - Ultrasonic
  - Radiography
  - Eddy current
  - Alloy identity

- 3.9.4.5.1. Nondestructive Testing Procedure Qualifications
- 3.9.4.5.2. Nondestructive Testing Personnel Qualifications

QAR Instruction

- **3.9.4.6. Destructive Testing:**
  - Mechanical
  - Metallographic
  - Analytical (chemistry, spectrochemical, scanning electron microscope, isotopic, etc.)

- **3.9.4.7. Metal removal and cutting:**
  - Electrical Discharge Machining (EDM)
  - Electrical Chemical Machining (ECM)
  - Pickling, acid dipping, Etc.

- **3.9.4.8. Heat Treatment (including quench method)**
- **3.9.4.9. Winding**
- **3.9.4.10. Varnish impregnation**
- **3.9.4.11. Plating**

QAR Instruction

- **3.9.4.12. Cleaning**
- **3.9.4.13. Balancing**
- **3.9.4.14. Painting**
- **3.9.4.15. Assembly Operations**
- **3.9.4.16. Testing Operations:**
  - Hydrostatic/Pressure Tests
  - Gas Leak
  - Mechanical
  - Torque
- **3.9.4.17. Packaging, packing, and marking**

QAR Instruction

- **3.9.5.** Quality System Processes - As applicable to the contractor's **manufacturing/inspection operations, surveillance oversight of the following quality system processes**, including a review of associated documents, shall be performed using the SAP checklists or equivalent audit plan, as appropriate, to confirm compliance with the contractor's documented procedures and practices:

- **3.9.5.1. Documentation and Change Control**
- **3.9.5.2. Records**
- **3.9.5.3. Material Identification and Control including Traceability**
- **3.9.5.4. Nonconforming Material Identification and Control**
- **3.9.5.5. Cleanliness Control**
- **3.9.5.6. Detrimental Material Control**
- **3.9.5.7. Calibration**
- **3.9.5.8. Pitchometer Inspection System Calibration**

QAR Instruction

- **3.9.6. Records will include the following information:**
  - Process Reviewed
  - Contract/Purchase Order Number
  - Description of Component
  - Part and Serial Number
  - Date
  - Supplier Procedure or Work Instruction
  - Accept or Reject (if rejected identify serial number of CAR issued)
  - Name of Individual performing surveillance (first initial and last name or unique individual code)
  - Contractor personnel performing process
  - Brief narrative of oversight action/activity performed including the following:
    - Product/process attributes verified
    - Other pertinent information
    - Rationale for CAR, if applicable

QAR Instruction

- **3.9.6.1. Records of process surveillance activities will be provided to the affected NSEP customers** (including PNSY's RIA for all L1/SS/DSSP/SOC contracts) **on a periodic basis as agreed to by the QAR and the affected NSEP customers**.(When requested) The established distribution frequency must be coordinated during development and periodic updates of the FSIP. **The agreed to frequency will be documented in the FSIP.**

3.10. Quality System and NSEP Program Evaluations Section

QAR Instruction

- **3.10.1. Quality System and NSEP Program evaluations** are **performed at NSEP contractor facilities on specific quality systems or unique NSEP program documents/specifications**. The audits are performed to:

- **3.10.1.1.** Confirm that the contractor's quality system or unique NSEP requirements comply with the contract.
- **3.10.1.2.** Determine the extent and effectiveness of the contractor's implementation of the quality system/program or unique NSEP requirements.
- **3.10.1.3.** Evaluate the need for improvement or corrective action relative to the contractor's quality system/program or unique NSEP requirements.

QAR Instruction

- **3.10.2. Quality System Evaluations (QSE) will be performed on those contractual higher-level contract requirements (FAR 46.202-4) quality systems/processes that are not evaluated under the SAP** (3.8). Quality Systems relate to processes/elements identified in:
  - Mil-I 45208 Inspection System
  - Mil-Q-9858 Quality System
  - ISO 9000 Quality System Series Documents
  - ISO 9000 Quality System Series Documents A
  - Any Customer Imposed Supplemental Technical Requirements (STRs) that apply.

QAR Instruction

- **3.10.3.** Unique NSEP Program processes are those processes whose requirements are set forth in the following contractually imposed special documents covering critical systems/processes:
  - MIL-STD-767, Military Standard Control of Hardware Cleanliness
  - MIL-STD-2132, Non-Destructive Examination Requirements for Special Applications
  - MIL-STD-2041, Military Standard Control of Detrimental Material
  - MIL-P-23199, Packaging for Special Components
  - NAVSEA 0900-070-6010, Material Control Standard, (Nuclear)
  - NAVSEA 250-1500-1, Welding Standard
  - NSTR-99, Qualification Examination Requirements for NDT Personnel
  - MIL-STD-1308, Material Processing for Special Components
  - STR 500, Supplementary Technical requirements, Valve General Technical Requirements
  - STR-505, Supplementary Technical Requirements, Material Identification and Control Requirements for Manufacturers of Level 1 Material
  - MCS-6, Standard for Control of Material
  - QRC 82 Quality Program Requirements
  - ISR-I Inspection Systems Requirements
  - LSC-2, Special Repair Part Supplier Control Requirements

QAR Instruction

- **3.10.3.2.** Subsequent to determining the extent of Quality System or unique NSEP requirement applicability, the **QAR is required to prepare a schedule to conduct the audits**. Quality system evaluations must be **accomplished based on the QAR's QDE and other available objective quality data**. **Sample verifications of key quality system elements are required to validate the credibility of reports of audits conducted by others**. Using quality data and the QAR's experience with the contractor, the **QAR must first risk rate the topics and use the results of this effort to prioritize audit performance**. There may be processes that are of high risk due to contractor current and past performance history or lack of knowledge/experience on the part of the contractor or QAR, and may require additional assistance. In these cases, the QAR's CMO NSEPM, DNSEPC, or the customer should be notified and assistance solicited as part of the FSIP development.

QAR Instruction

- **3.10.3.3. Audit performance will be supported by an audit plan**. Planning should include a review of applicable contract requirements and contractor procedures. Based on this review, an **audit plan (checklist) should be developed for physical or objective on-site verification of compliance** with these requirements and procedures. **In lieu of a written plan, the QAR may also highlight those sections of contractor procedures of contract requirements that will be verified during the audit**. If **highlighting is used, these documents will be retained as part of the QAR's audit record**.

QAR Instruction

- **3.10.3.4.** In determining the adequacy of the quality system or unique NSEP requirement, it is essential to **verify that the actual practices used by the contractor comply with contractor procedures to ensure that product is being controlled in compliance with the contract**. This can be effectively accomplished by reviewing and understanding the process and auditing the actual contractor performance against procedures. In reviewing the process, all aspects of that process which either directly or indirectly assure product compliance with contract requirements should be reviewed for adequacy.

QAR Instruction

- **3.10.4.** Records of audit performance will include the audit plan and a list of those actions taken to verify contractor compliance with procedures (i.e., methods of evaluation) and conformance to the contract. Should corrective action be required, the QARs records should refer to the actions taken.

- **3.10.4.1.** When **audit results indicate unsatisfactory performance** or controls by the contractor, the **QAR will provide copies of the audit findings and any associated CARs to the affected NSEP customers** (including PNSY's RIA for all L1/SS/DSSP/SOC contracts)

QAR Instruction

3.11. Corrective Action Requests (CARs) Program Section

QAR Instruction

- **3.11.1. CARs are issued** to the contractor to identify and **correct all instances of noncompliance** with established methods for processing product, controlling quality systems or violation of contract/purchase order requirements. A CAR is issued for the presentation of nonconforming product to the Government or Government observance of a nonconformance during process evaluation and surveillance and product inspections. **Prior to issuing a CAR the QAR must ensure that the contractor's Quality Assurance Manager or designated alternate is aware of the issue and is agreeable to taking corrective action** to ensure that product quality and integrity is not compromised.

QAR Instruction

- **3.11.2. CARs shall be documented and issued for all NSEP non-conformances.** Before issuing any CARs, the QAR will assure that the condition is a violation of a contract requirement or the contractor's established method and/or procedure. Assistance in reaching these conclusions may be obtained from the CMO NSEPM, DNSEPC, or the customer.

- **3.11.2.1. When requested, copies of corrective action requests shall be provided to the affected NSEP customer**.

- **3.11.2.2. Copies of CARs** written against deficiencies found while performing delegated inspections/surveillances or audits as requested by **delegations from SUPSHIP Newport News, must be forwarded to the POC identified in the SUPSHIP Newport News LOD.**

QAR Instruction

- **3.11.3.1. Level I -** A Level I CAR shall be used when a **contractual noncompliance**, contractor noncompliance with established procedures, or nonconforming hardware/product is observed or discovered, **that can be corrected by near-term committed actions** not requiring contractor engineering or quality disposition, does not require any special management attention, a written response from the contractor detailing error, cause, preventive action etc. **In these instances the occurrence may be documented on an individual record or maintained in a log.** In either case, the record should consist of the condition observed, the contractor corrective action applied or planned for resolution, and contractor personnel involved. Additionally, the **contractor QA Manager shall be notified.**

QAR Instruction

- **3.11.3.2. Level II -** A Level II CAR shall be used when contractual noncompliance or contractor personnel noncompliance with established procedures is observed or discovered and the following criteria are met:
  - **Prior recent level I CAR(s) have been issued for the same type of nonconformance observed or**
  - **The nonconformance cannot be corrected without contractor management involvement detailing error, cause, root cause analysis, preventive action etc.**

QAR Instruction

- **3.11.3.2.1.** Level II CARs will **be addressed to the appropriate contractor organization for response with a copy to the contractor Quality Manager** and any other contractor management if requested by the contractor. The **CAR shall document the condition observed along with the contractual requirement(s).** The Level II CAR shall also request a contractor response to the following items:
  - **Root cause of the non-conformance**
  - **Extent of nonconformance of work in-progress and shipped product**
  - **Specific actions planned to resolve the cause of the nonconformance**
  - **Specific action(s) taken to resolve the nonconformance**
  - **Specific actions to be taken to verify the effectiveness of the corrective action taken**
  - **Specific dates for completing each action**

QAR Instruction

- **3.11.3.2.2.** During discussion with contractor management, the QAR will establish a date by which the contractor will respond to the request. The QAR will consider whether the CAR requires an immediate response due to the nature of the issue or may be handled in a routine manner. Only those **deficiencies which have a direct, significant impact on product must be promptly resolved** as to the corrective action to be taken. As a minimum, **the QAR, via the CAR, will require that the contractor's quality manager or senior management concur with replies to the requests**.

QAR Instruction

- **3.11.3.2.3.** All requests for corrective action that directly impact product acceptance including loss of material traceability, when required, must be resolved prior to shipment. If any **CAR citing deficiencies directly impacting product or material traceability is open at time of shipment, the QAR shall contact the customer/delegating activity for direction prior to final acceptance of the product/service**.

QAR Instruction

- **3.11.3.3. Level III -** A Level III shall be used to call attention to **serious contractual non-compliances**. A Level III will be used when prior requests for corrective action have been ineffective in obtaining contractor resolution of a non-conformance and the contractor will not take additional or appropriate action. Due to the seriousness of the issue, there may be occurrences when a Level III corrective action request may be appropriate yet prior Level I or II corrective action requests may not have been issued. This will not be a normal practice. Level III CARs are normally supported with prior issued Level II CARs.

QAR Instruction

- **3.11.3.3.1.** Level III CARs shall be prepared and include the pertinent information defined for Level II CARs but will be issued to the contractor's senior management. **When issued, the CMO Commander, QAR supervisor, CMO NSEPM, DNSEPC, HQ NSEPM and all of the customers will be notified and provided a copy. If approved, a copy of the Level III will be forwarded to NAVSEALOGCEN-DET-PNSY for input into the PDREP database**.

- **3.11.3.3.2.** When Level III CARs are closed out, copies of the letter notifying the contractor of the fact shall be provided to all those on the original and revised, as applicable, distribution of the Level III CAR.

QAR Instruction

- **3.11.3.3.3.** In the case of a QAR who is working with a **subcontractor, a Level III corrective action request will not be issued to the supplier**. Situations that involve serious contract non-compliances, ineffective corrective actions plans and unwillingness on the part of the subcontractor to rectify serious and/or repetitive non-conformances **will be addressed to the delegating QAR whose responsibility will be to energize the prime contractor to remedy the situation with their subcontractor**. The delegating QAR will evaluate the subsequent actions, in conjunction with the QAR at the subcontractor. In these cases the **HQ NSEPM, DNSEPC, CMO NSEPM and all affected customers will be provided a copy of all correspondence including close out actions.**

QAR Instruction

- **3.11.3.4. Level IV -** As with Level III CARs, a Level IV is issued to document a **serious condition that may involve other contractual remedies**. In the case of the QAR, the **remedy may be discontinuance of GSI pending the development and deployment of effective corrective action. In no case will this occur without the prior written consent of all affected customers.**

QAR Instruction

- **3.11.3.4.1.** Prior to issuing a Level IV CAR, the details of the noncompliance will be coordinated with the affected customer(s), HQ NSEPM, DNSEPC and CMO NSEPM. The QAR's supervisor and Commander will be kept informed of the issues. If a **Level IV is determined to be the appropriate action to be taken, the Level IV will be prepared by the QAR, addressed to the contractor's top management, and signed by the Commander or the cognizant Administrative Contracting Officer**. **Copies of the request will be provided to the CMO NSEPM, DNSEPC, HQ NSEPM and the Contracting Agency.** When Level IV corrective action request are closed out, copies of the letter notifying the contractor of the fact shall be provided to all those on the original distribution of the corrective action request. Closeout of the request will include the Contracting Agency's concurrence relative to the adequacy and effectiveness of the contractor's response.

QAR Instruction

- **3.11.3.5.** Evaluation of CAR Replies - **QAR will evaluate the contractor's response, validate the effectiveness of actions taken in response to all CARs and take the appropriate action** as follows:

- **3.11.3.5.1.** If the **contractor's response is acceptable, the QAR shall issue a response to the contractor, indicating acceptance**. Routine contractor **responses stating that deficiencies are due to "operator error" or "lack of attention to detail" are unacceptable and should be rejected**. These situations are normally indications of deeper rooted quality issues requiring closer attention by management.

QAR Instruction

- **3.11.3.5.2.** If the **contractor's response is determined to be unacceptable** or if the contractor fails to identify actions to resolve concerns, the **QAR shall reject the reply in writing and again request a reply to identify corrective action measures**. If the QAR **continues to disagree** with the adequacy of the response, the **QAR shall escalate the matter to the CMO NSEPM or DNSEPC for assistance.** Depending on the situation it **may be appropriate to escalate** the CAR to a Level III or IV as appropriate.

- **3.11.3.5.3.** The QAR should take great care not to interject personal opinion into determining the acceptance of the CAR response.

QAR Instruction

- **3.11.3.6.** Withholding of Shipment - **Situations where the QAR has determined that the shipment should be withheld due to concerns with product quality, non-availability of or inadequacy of contractor procedures shall be immediately brought to the attention of the customers or delegating QAR on subcontracts, the CMO NSEPM, DNSEPC, and supervisor**. The QAR will provide the basis and specific issues as to why the shipment should be withheld. Should it be determined that the shipment will not be withheld, the QAR will be so informed by the customer and will document the oversight records accordingly, release the shipment, and sign the shipping document.

- **3.11.3.7.** Suspension of Government Source Inspection - **GSI will not be discontinued without the written consent of the affected customers**.

QAR Instruction

3.12. Quality Data Evaluation (QDE) Section

QAR Instruction

- **3.12.1. QDE is a tool to assess contractor performance and its outcome is used to direct the QAR's in-plant effort toward products and processes that present the highest risk.**
- **3.12.2.** The primary objectives of QDE are to:
  - Provide a basis for decisions to direct the QARs in-plant effort
  - Support decisions relating to allocating QAR resources
  - Determine weaknesses and strengths in the contractor's quality program
  - Upgrade the contractor's methods and practices used to assure quality during the manufacture, delivery, and use of the item
  - Provide a foundation for technical actions aimed at maintaining and improving quality
  - characteristics of both current and future products
  - Assure that the data is adequate and is being used effectively

QAR Instruction

- **3.12.3. QDE will be conducted by QARs at all active NSEP contractors.** The design of the system is left to the discretion of the QAR; however, a QDE system should contain several basic elements that include:
  - Definition of the data to be collected
  - Method and frequency of data evaluation
  - Record of the data evaluation results
  - Records of specific actions to be taken

QAR Instruction

- **3.12.4.** Definition of the data to be collected - Sources of quality data include, but are not limited to, the following:
  - Documented information gathered from performance of daily or per visit in-plant quality surveillance and inspection functions on the manufacturing floor operations.
  - Manufacturing, inspection and test results, failure reports, discrepancy reports, etc.
  - Contract Information, including all delegated quality surveillance and inspection in-plant functions.
  - Production control data, including delinquent delivery data and potential impact of defective product on delivery.
  - Documented results of discussions and meetings with supplier personnel
  - Documented results of discussions and meetings with NSEP Customers (QARs are required to engage the NSEP customers in the development of the FSIP)
  - Results of Supplier, Government and QAR quality trend data
  - Results of Corrective Action Requests (CARs), including those issued by SAP auditors and Product Quality Deficiency Reports (PQDRs) data.
  - Results of recent Preaward Surveys and Post Award Conferences
  - Results of Supplier Visit Reports (i.e., Vendor Assist Visits (VAVs) or Product Oriented Surveys (POSs) conducted by NSEP Customers, with or without DCMA participation.
  - Results of Supplier Visit Trip reports from the SUPSHIPs and the public and private shipyards.
  - Changes in personnel, procedures, methods, materials, and environment.

QAR Instruction

- **3.12.5.** Method and Frequency of QDE - **The method to sort and display the quality data for evaluation is left to the discretion of the QAR**. **Quality data evaluation will be performed, on a quarterly basis, as a minimum, and when developing/revising the FSIP**.
- **3.12.6.** Record of the QDE results - **The QARs records must include a synopsis of findings and an analysis of the evaluation**. This information should be recorded using any convenient and effective method suitable for this purpose. The QAR's records of **QDE must contain the following data as a minimum:**
  - Date of evaluation
  - Data evaluated
  - Person performing evaluation
  - Findings and results of evaluation
  - Need for Quality or Technical Support from PCO
  - Recommendations made or actions to be taken

QAR Instruction

- **3.12.6.1. Analysis of the findings must be conducted to obtain an overall assessment of the contractor's quality effort**. Isolated problem areas may not appear to present a major problem when considered individually, however recognition of similar problems in several areas could indicate lack of management control. Comparison of current and previous finding may indicate trends, and provided a measure of the quality systems effectiveness. Soliciting input from the customers and PNSY's RIA for L1/SS material can greatly enhance the effectiveness of the QAR's QDE analysis.

QAR Instruction

- **3.12.7.** Records of specific actions to be taken - **The results of QDE will be recorded in the FSIP along with actions planned to be taken by the QAR**. **The QAR will provide the affected NSEP Customers** (including PNSY's RIA Code 136 for all L1/SS/DSSP/SOC contracts) **with results of the QAR's quarterly analysis of QDE, as addressed in the FSIP**, via email or hard copy mail, for their information and assistance in obtaining corrective actions, when deemed necessary.

QAR Instruction

3.13. Training and Qualifications Section

QAR Instruction

- **3.13.2. Only fully trained and qualified personnel may accept product for the NSEP program**. In this regard, DCMA and the NSEP customers will provide specific process and product related training in program requirements. This process begins with the Individual Development Program (IDP) worksheet. This worksheet is initially completed by the individual and coordinated with supervision and provided to the training coordinator for execution. Some specialized training will require coordination with the CMO NSEPM or the DNSEPC for scheduling. The supervisor may solicit assistance from the CMO NSEPM in reviewing training requirements or consult with DNSEPC where a CMO NSEPM is not assigned. **The QAR's supervisor is responsible for ensuring that the QAR is initially certified and that certifications are maintained in accordance with current DCMA and NSEP policy. This includes: a) DAWIA certification in manufacturing, production and QA Level II, b) certification in the commodity skill area, c) NSEP mandatory training, and d) certification in all contractually imposed NDT methods.**

QAR Instruction

- **3.13.3. All DCMA personnel (NDT Coordinators, NDT Administrator, NDT Examiners, and Specialists) performing evaluation of contractor NDT processes shall be certified in the specific NDT method** by meeting the requirements contained in Table I and Table II, **completing their certifications by examination, and recertified in accordance with** Table I and Table II. References made to certifications, here and throughout this Instruction, means personnel performing NDT evaluations or oversight are certified to the minimum equivalent as Level II Inspectors as described by commercial standards.

QAR Instruction

- **3.13.4.** The minimum and mandatory training/certifications are described in Competencies/Certifications and are required to execute the NSEP Process.

- **Review Competencies/Certification Requirements Document**

QAR Instruction

3.14. Other NSEP Guidance and Requirements Section

QAR Instruction

- **3.14.1.** Risk Assessment Management Program - The **Risk Assessment Management Program will have limited application to all NSEP contractors**. The **data to be entered into the database for QA oversight of all NSEP contractors, including Principal NSEP Suppliers, shall consist of:**
  - Contractor FSCM, address and point of contact
  - Critical contractor designator(s)
  - Overall risk rating of at least Moderate for Performance
  - Principal NSEP Contractors shall be risk rated as “High”
  - Overall narrative statement (in general terms only, no program specifics allowed) that the product supplied has a critical application and as such specific process information is maintained in the QAR's FSIP

Facility Surveillance and Inspection Plan Outline

Review

QAR Instruction

Facility Surveillance and Inspection Plan Outline

The FSIP will contain all of the information provided in the following outline:

- **Contractor name, address, and FSCM**
- **QAR Points of Contact at the Facility, Title, and telephone number**
- **Customer Quality Assurance Points of Contact, Title, address, and telephone number**
- **Highest Contractually Imposed Quality Assurance Provision**
- **Products Supplied to the NSEP Program**
- **a. Provide a list of general product categories (e.g., fasteners, valves, etc.)**
- **b. New Products being introduced**

QAR Instruction

Facility Surveillance and Inspection Plan Outline

- **Areas of Concern**

a. Based on the out come of Quality Data Evaluation and customer input and requirements, the QAR will note those areas where the contractor's performance has been identified as poor or shows a weakness.

b. The QAR will also consider changes to personnel, procedures, methods, materials, and environment

- **Changes in the FSIP Since last prepared/updated**

a. Subsequent to preparing the initial FSIP and as a result of subsequent Quality Data Evaluation, the QAR will identify what SAP critical process audit(s) will be scheduled, process surveillance(s) frequencies and or mandatory inspection and/or oversight requirement (s) sampling that will be increased and the duration of this effort.

b. Identify any actions to be taken on processes rated as High

c. Identify any added SAP critical or other processes added to the plan

QAR Instruction

Facility Surveillance and Inspection Plan Outline

- **Supplier Audit Program (SAP) - In-House**

a. List of SAP critical process audit topics that apply to the facility
b. Risk Ranking of SAP critical processes
c. Schedule to perform the SAP critical processes or date last performed.
d. List of Planned Joint DCMA and Customer audits of SAP Critical Processes

- **SAP - Delegated**

a. List of SAP critical processes that are applicable to subcontractors.
b. Risk ranking of SAP critical processes
c. List of delegated SAP critical process along with status of completion

QAR Instruction

Facility Surveillance and Inspection Plan Outline

- **<u>Process Surveillance Program</u>**

a. List of all processes utilized by the contractor on the contracts/purchase orders in Risk Rated order. (Identify if an MI from the customer)

b. Frequency of surveillance of processes

- **<u>Product Audits/Inspections as a result of QDE (Not the MIs contained in QALIs/LODs)</u>**

a. List of product along with the characteristics to be inspected during in process inspection

b. List of product along with the characteristics to be inspected during final inspection

QAR Instruction

Facility Surveillance and Inspection Plan Outline

- **Program Specific Technical Reviews (reference section 3.10)**

a. List of applicable program specific documents or topics in Risk Rated order

b. Schedule to evaluate the program specific documents or topics

c. List of Planned Joint DCMA and Customer audits of SAP critical Processes

- **Quality Data Evaluation**

a. Discuss the conclusions drawn from the QAR's evaluation of QDE.

b. Include trend charts, if applicable

c. Rollup/synopsis of issued CARs

QAR Instruction

Facility Surveillance and Inspection Plan Outline

- **Other Information**

a. Location and nature of Quality Assurance Records (hardcopy or electronic)

- Electronic record backup frequency

b. QAR and staff training requirements

1. NDT method and specification
2. Commodity Certification
3. NSEP Certification Requirements (e.g., U20 and U21 etc)

DCMA
Defense Contract Management Agency

Back to Section 3.14

QAR Instruction

- **3.14.2. Pre-Award Survey (PAS)** process is performed in order to provide our customers with information which will allow them to determine the likelihood of a specific contractor successfully completing the proposed contractual action. PASs on NSEP contracts shall be performed by a **NSEP certified QAR, CMO NSEPM or DNSEPC** in accordance with DCMA Pre-Award Survey Guidance.

- **3.14.2.1.** Corrective action on **deficiencies noted during PASs shall be evaluated by DCMA if a contract award has been made or the contractor has in-process items of a similar nature under Government procurement**. DCMA shall follow up on the corrective actions that were reported until resolved. The **procuring activity's concurrence for closure of the deficiencies noted during PASs shall be obtained in the resolution of the deficiencies noted in the pre-award findings.**

QAR Instruction

- **3.14.3. Fraud and Falsification/Deliberate Malpractice/Government Investigation.** (The policy contained below does not apply to Principal NSEP Suppliers. Reference NSTR-2000 for guidance on this subject).
- **3.14.3.1.** When DCMA personnel suspect, or are informed of, a deliberate malpractice incident or fraudulent activity directly involving or potentially affecting NSEP product or Government law enforcement agencies execute a search warrant on an NSEP supplier, the **QAR shall immediately notify the Customers, cognizant DCMA legal office, Supervisor, CMO NSEPM, DNSEPC, and HQ NSEPM**. The **QAR shall take no further action unless advised to do so by DCMA Management, Government law enforcement, or the customer.**
- **3.14.3.2.** The **QAR shall not initiate independent investigations** and shall not participate in contractor investigations unless advised to do so by the Government law enforcement agency. Lack of discretion could compromise the Government's position in future legal actions. The QAR must not respond to questions from contractor personnel and shall refer all questions to appropriate contractor management for resolution.

QAR Instruction

- **3.14.4. Deficiency Reports (DRs) -** All Deficiency Reports for NSEP contracts will be processed in accordance with the DCMA Instruction on Deficiency Reports. Deficiencies identified by the customer are transmitted via a DR and forwarded to the CMO DR Monitor.

- **3.14.4.1. The CMO NSEPM or the DNSEPC will assist the NSEP QAR in the investigation of NSEP DRs** and will assess the adequacy of the DD Form 1227 responses prior to submission to the CMO Commander.
- **3.14.4.2. All NSEP DD Form 1227 responses to NSEP DRs will be routed to the CMO Commander for final approval**. At CMOs with sub-tier CMOs, the Sub-tier level Commander's signature is required, as a minimum. Copies of the DD Form 1227 should also be sent to the higher level CMO Commanders for their information.

QAR Instruction

- **3.14.5.** Record/Record Retention - **Records required** by this Instruction as described herein, **may be hardcopy or electronic** (hardcopy records will be recorded in ink). Records maintained in an **electronic media must be backed up every 30 days or sooner** (depending on the volume of data) with a hard copy or other electronic media. The QAR shall ensure that records are available and shall supply them to the Customer or delegating activity upon request.

- **3.14.5.1. NSEP records will be retained for three years after close out of the contract**, unless otherwise specified.
- **3.14.5.2. Records for the NPP will be maintained for ten years,** unless otherwise specified.

QAR Instruction

- **3.14.6. Control of NSEP Material -** Administration of the NSEPs requires additional security measures to ensure matters of national security are not compromised. Reference applicable DCMA and Naval Sea Systems Command instructions on identification, handling, safeguarding, transmitting, and discarding Naval Nuclear Propulsion Information (NNPI) and No Foreign Nationals (NOFORN) marked information and hardware.
- **3.14.6.1. NOFORN must be stored in a locked container, file drawer or cabinet and must be shredded or placed in burn bags for disposal**.
- **3.14.6.2.** Unclassified Naval Nuclear Propulsion Information (U-NNPI) must be handled as No Foreign Nationals (NOFORN). **U-NNPI and NOFORN must not be transmitted via the Internet or over the DCMA email network**. Reference NSTR-2001, when issued.

QAR Instruction

- **3.14.7. Clarification of Contract Requirements -** The QAR shall not provide contractual interpretations or clarifications to the contractor that would result in a constructive change to the contract. Should the contractor require assistance with contractual requirements, the contractor should be advised to submit such request through appropriate contractual channels for the contracts in question.
- **3.14.7.1.** All **QAR requests for contract clarification/interpretation/ deficiency must be processed using a DD Form 1716**. This form is now available in electronic format using DCMA's E Tools. All NSEP DD Forms 1716 will be sent to NAVICP Code 845 for Level 1/SUBSAFE contracts, NAVICP Code 874 for NPM contracts.
- **3.14.7.2.** All questions on NAVICP Code 8452, L1/SS Stock Program contracts or resulting PQDRs must be directed to Kenneth Grove at NAVICP Code 8452M, (717) 605-4740, kenneth.grove@navy.mil

QAR Instruction

- **3.14.8. Communication –** To facilitate communication and ensure NSEPs are given the maximum level of oversight, the QAR must team, as required, with the customer's representative when performing joint inspections.

- **3.14.8.1.** To effectively perform any NSEP function, the QAR's direct lines of communication must be established, maintained and unfettered with the HQ NSEPM, DNSEPC, District personnel, CMO NSEPM, local CMO management, QA field personnel involved in supporting the NSEPs, and Customer personnel. This bottom-up/ top-down lines of communication is pivotal in the success of the NSEP Program.

QAR Instruction

- **3.14.8.2. NSEP QARs, CMO NSEPMs, DNSEPCs and the HQ NSEPM** are required to update voice mail greetings (daily update is preferred, but weekly as a minimum) and check their voice mails and emails on a daily basis to ensure that all messages from internal and external customers are addressed on a daily basis during the normal work week. When out of the office for the day or longer, “Out of Office Assistant” feature of Microsoft Outlook must be turned on and contain information detailing the length of time out of the office and a method of contacting the individual during that timeframe. All NSEP Team members email correspondence will contain the QAR's, CMO NSEPMs, DNSEPCs and the HQ NSEPM's, addresses, (email and regular mailing address), office, business cell phone and pager numbers, as applicable, in the signature box to facilitate ease in contacting the NSEP team member.

QAR Instruction

- **3.14.9. Alternate Release Procedures (ARP) –** The use of **ARP on any NSEP work is strictly prohibited** unless specifically approved by the customer.
- **3.14.10. Wide Area Workflow (WAWF) –** WAWF is being implemented throughout the Department of Defense (DOD) for electronic exchange of procurement documents. NAVICP NPM contracts are currently using WAWF, and the NSEP L1/SS/DSSP/SOC contracts will convert to WAWF when the transition to the Navy Marine Corps Internet System (NMCI) is complete. In the interim, the Navy is using the Electronic Data Access (EDA) system. NOFORN IRPODs and other documents that cannot be transmitted electronically will continue to be sent to DCMA and contractors via hard copy only.

QAR Instruction

- **3.14.11. Performance Labor and Accounting (PLAS) Codes**

- **1.1. NSEP process Code 068 and its sub-codes** must be used as required when performing the sub-process under the 068 code.

  1.2. The NSEP Process Code 068 sub-codes are:

  - **1.2.1. AA68 -** Issue/Follow-up on verbal and written Corrective Action Requests (CARs) issued to NSEP contractors on NSEP contracts.
  - **1.2.2. AB68 -** Performance of in-plant oversight, via process surveillance, product inspection or process audit for all nuclear or non-nuclear NSEP Liquid Penetrant (PT) Non-Destructive Testing (NDT) methods.
  - **1.2.3. AC68 -** Performance of in-plant oversight, via process surveillance, product inspection or process audit for all nuclear or non-nuclear NSEP Magnetic Particle (MT) Non-Destructive Testing (NDT) methods.
  - **1.2.4. AD68 -** Performance of in-plant oversight, via process surveillance, product inspection, process audit or performance of Level 1/SUBSAFE RT Overread mandatory requirements for all nuclear or non-nuclear NSEP Radiographic (RT) Non-Destructive Testing (NDT) methods.

QAR Instruction

- **1.2.5. AE68 -** Performance of in-plant oversight, via process surveillance, product inspection or process audit for all nuclear or non-nuclear NSEP Ultrasonic (UT) Non-Destructive Testing (NDT) methods.

- **1.2.6. AF68 -** Performance of independent or joint, or delegation of applicable Supplier Audit Program (SAP) audits

- **1.2.7. AZ68 -** Any other NSEP tasks not listed above. This code is intended for use primarily by the NSEP Program Management staff to report time spent performing their assigned roles and responsibilities as defined in the NSEP PM Instruction, to include conducting on-site assist visits or annual assessments of the NSEP CMO Monitors and NSEP QARs.
  1.2.8. BA68 - Level1/SUBSAFE Joint Source Certification Process, review of the Source Certification Inspection contract requirement.

- **1.2.9. BB68 -** Coordination of the Level1/SUBSAFE Joint Source Certification Process with NAVICP

- **1.2.10. BC68 -** Performance of the Level1/SUBSAFE Joint Source Certification Inspection Process.

- **1.2.11. BD68 -** Verification of Level1/SUBSAFE Joint Source Certification Material Identification Code markings and Signature of the DD Form 250.

- **1.2.12. BZ68 -** Any other Level1/SUBSAFE Joint Source Certification not listed above.

QAR Instruction

- **1.3.** The typical and existing Supplier Quality Assurance process codes should be used in conjunction with the applicable NSEP Program Code (i.e., Contract review of a Nuclear plant material contract would be input as Process Code 031A and Program Code NP041.)

- **2.** NSEP PLAS Program Codes:

2.1. Program Code NP033 is used for the Naval Nuclear Propulsion Program (NNPP) contracts/purchase orders. This code is used primarily by DCMA QA personnel at the NNPP Principal Suppliers.

2.2. Program Code NP040 is used for the Level 1/SUBSAFE (L1/SS) Program contracts/purchase orders.

2.3. Program Code NP041 is used for the Nuclear Plant Material (NPM) Program contracts/purchase orders.

2.3.1. Use Program Code NP041 for NSTR-2000 delegations received at non-NSTR-2000 NPM or L1/SS Suppliers

2.4. Program Code NP042 is used for the Naval Propulsion Program (NPP) contracts/purchase orders.

2.5. Program Code NP043 is used for the Deep Submergence Systems/Scope of Certification contracts/purchase orders.

QAR Instruction

SUBSECTION 1

NAVAL NUCLEAR PROPULSION PROGRAM (NNPP)

QAR Instruction

- **1.** This subsection addresses DCMA support of **NNPP Principal NSEP Suppliers** as described in a NNPP QA MOA (formerly referred to as DLAR 8225.1) between Naval Reactors Headquarters (NAVSEA 08) and DCMA. DCMA's contractor oversight responsibilities are unique at NNPP (NSEP) Principal Suppliers.

- **2.1.** The purpose of DCMA administration of NNPP contracts/purchase orders is to ensure the customer receives the properly inspected/ tested/certified systems, materials, components and documentation that are essential to the mission. The failure of these mission essential items could have catastrophic and life threatening results. **Oversight of NSEP contracts/purchase orders at these contractors is performed in accordance with NSTR-2000** (when invoked by the Naval Sea Systems Command Technical Representative-Pittsburgh (NSTR-PGH).

- **2.2.** Identification of NNPP (NSEP) contracts - **NSTR-2000 provides the identification of NNPP contracts**. As identified above, these contractors are designated as Principal NSEP Suppliers and DCMA is aware of these contractors. A list of the active Principal NSEP Suppliers is available from the DCMA NSEP POCs or NSTR-PGH.

QAR Instruction

- **3.1.** Supplier Quality Assurance (SQA) Oversight. - The assigned QAR is responsible to identify the type of Navy Special Emphasis Program contract, plan the contract, acknowledge the QALI/LOD, perform the mandatory inspection and/or oversight requirements as stated in the QALI/LOD, and perform supplier oversight in accordance with NSTR-2000.
- **3.2.** Minimum Mandatory Inspection and/or Oversight Requirements (MI/ORs) - The mandatory product/process oversight requirements identified in the other Subsections of this Instruction, as applicable, are to be performed as stated on orders other than those in support of the NNPP and NPM. The performance of **NNPP and NPM requirements will be performed in accordance with NSTR-2000 at Principal NSEP Suppliers.**

QAR Instruction

- **3.3.** Supplier Audit Program (SAP) - Performance of any **SAP audits/reviews will be coordinated with NSTR-PGH prior to any action being taken**. This includes any re-delegated SAP audits from non-principal NSEP suppliers.

- **3.4.** Records - Any requirements for records of supplier product and product oversight required by this Instruction and its Subsections not contained in NSTR-2000 will be maintained in accordance with this Instruction and its Subsections.

QAR Instruction

- **3.5. Miscellaneous DCMA Processes and Initiatives:**

  3.5.1. DCMA initiatives such as “Teaming”, “Production Surveillance”, and any other initiatives must not be undertaken without the express consent of NSTR-PGH at Principal NSEP Suppliers. If the initiative applies to non-nuclear orders at Principal NSEP Suppliers, DCMA HQ must consult with NSTR-PGH prior to implementation.

- **3.5.2. DCMA Management Control Reviews (MCRs) must not be performed at Principal NSEP Suppliers without first coordinating with the HQ NSEPM, who will coordinate the review with NSTR-PGH**. If all parties agree to the performance of a **MCR at a Principal NSEP Supplier** on all of the assigned workload or only the non-NNPP workload at the Principal NSEP Supplier, the **HQ NSEPM will perform it or arrange for a qualified DNSEPC or CMO NSEPM to augment the MCR team.**

- **3.5.3. Other DCMA management initiatives** and data calls/taskings not addressed above and contractor capability assessments **will not be performed** regardless of the type of work at Principal NSEP Suppliers. The HQ NSEPM must be contacted who will coordinate the action with NSTR-PGH prior to any action being taken.

QAR Instruction

- **3.6.** The minimum and mandatory training/certifications are described in Competencies/Certifications and are required to execute the NSEP Process. In addition, supplemental training requirements for NNPP QARs are identified by NSTR-PGH, HQ NSEPM and DNSEPC.

QAR Instruction

SUBSECTION 2

NUCLEAR PLANT MATERIAL (NPM)

QAR Instruction

- **1.** This subsection provides DCMA's mandatory administration responsibilities when assigned oversight of the **Navy's NPM contracts/purchase orders**. The requirements contained in this subsection must be performed on all NPM contracts/purchase orders. In addition, the QAR must establish a FSIP and perform SAP process oversight at facilities with continuous NPM work.

- **2.1.** The purpose of DCMA administration of NPM contracts/purchase orders is to ensure the customer receives the properly inspected/ tested/certified systems, materials, components and documentation that are essential to the mission. The failure of these mission essential items could have catastrophic and life threatening results.

QAR Instruction

- **2.2. The following indicators identify NAVICP Code 87 NPM contracts/purchase orders:**
-
- **2.2.1.** The QALI or LOD states, “Critical Application Item” and “DCMA NSEP QAR Instruction, Subsection 2, applies” the old statement which may be seen on occasion is “DLAR 8225.1, Encl. 4 applies”.
- **2.2.2.** The NNPP/NPM program uses Special Material Identification Codes (SMICs). The National Stock Number (NSN) has one of the following SMICs as the suffix:

  2.2.2.1. X1 = components managed by NAVSEA 08. These items are receipt inspected at Naval Shipyards and Ready-For-Issue (RFI) tags are attached by the inspecting activity.
- **2.2.2.2. X2 =** Level 1 Pipe, Fittings, Bar Stock, Canopy Seal Rings, Chemical and Consumable Welding Stock. These items are receipt inspected at Naval Shipyards and RFI tags are attached by the inspecting activity.

QAR Instruction

- **2.2.2.3. X3 =** Non-level complex reactor repair parts that are not receipt inspected at Naval Shipyards and RFI tags are not attached by the inspecting activity.
- **2.2.2.4. X4 =** Secondary System High Pressure, High Temperature Valves that are receipt inspected at Naval Shipyards and RFI tags are attached by the inspecting activity.
- **2.2.2.5. X5 =** Non-level X3 components or assemblies and any other items that are not receipt inspected at Naval Shipyards and RFI tags are not attached by the inspecting activity.
- **2.2.2.6. X6 =** Level 1 NPM material that has not been designated as X2 or X4. These items are under the cognizance of NAVSEA 08 and are managed by NAVICP Mechanicsburg. This material is specially designed, manufactured and/or treated for use as pre-certified Level 1 material but does not require an RFI tag to be attached to the material prior to being placed in the Naval Supply System stock, or prior to use. Some of these items were previously identified X3 and X5. (NOTE: This SMIC change is due to the impending consolidation of NAVSEA 0900-070-7010, Material Control Standard for non-reactor plant applications and NAVSEA 0900-070-6010, Material Control Standard for reactor plant application.)

QAR Instruction

- **2.2.3.** Procuring Agency is “NAVICP Code 87”.
- **2.2.4.** Individual Repair Part Ordering Data (IRPOD) is part of the contract/purchase order. With the exception of the NAVICP Code 87 Moored Training Ship (MTS) buys, all contracts with an IRPOD will also have a QALI.
- **2.2.5.** Some NPM QALIs/LODs may have LEVEL I (L1) stamped on the front-page but state that “DCMA NSEP QAR Instruction, Subsection 2A applies”. These orders should not be mistaken nor reported in QA MIS as Level 1. They are NPM and must be reported as N4.
- **2.3.** L1/Target is also another NPM identifier and the contract/purchase order will be from a Shipyard. Confirm this by looking at the NSN SMIC or by the reference to NPM documents. The QAR will be guided by the LOD.
- **2.4.** LODs from NNPP principal NSEP suppliers must be reported and administered as NPM orders and reported in QAMIS as N4. The QAR will be guided by the LOD.
- **2.5.** Contracts from Bechtel Plant Machinery Inc. (BPMI), Bettis Atomic Power Laboratory, and Knolls Atomic Power Laboratory with QALIs/LODs from the Assistant Naval Sea Systems Technical Representative (ANSTR) or Naval Sea Systems Command Technical Representative (NSTR) will be handled as NPM contracts. The QAR will be guided by the QALI/LOD.

QAR Instruction

- **2.6.** General Dynamics, **Electric Boat (EB) Division** Nuclear Material Designations for EB Contracts and purchase orders that reference “Cognizant QC Dept: 420.”
- **2.6.1. Level 1 Material –** Applies where NAVSEA Instruction C9210.34 or NAVSEA 0900-070-6010 (as applicable) prescribe Level 1.
- **2.6.2. Level 3 Material –** Formerly defined in NAVSEA Instruction C9210.34, now treated as Level N material.
- **2.6.3. Level N Material –** Nuclear material not assigned one of the above levels and exempt from Level 1 controls as defined in C9210.34 or NAVSEA 0900-070-6010 (as applicable).
- **2.6.4. Level Q Material –**Level Q Material is material, which is controlled by the SEAWOLF fabrication documents (PPD 802-6335720, PPD 802-6335690 and PPD 802-63356689) and is not Level 1 per NAVSEA 0948-LP-045-7010 or Level 1 or III per NAVSEA 0900-070-6010. In addition certain components, as indicated by the Single Parts Master, which are not Level 1, but which form a part of the hull integrity boundary, are classified as Level Q. (NOTE: Certain Level Q components and raw materials which may be used to fabricate Level 1 parts will be handled as Level 1 per NAVSEA 00948-045-7010 and thus requiring assignment of a Material Identification Control (MIC) number and input into the Material Quality System (MQS). Contact NAVSEA PQA Engineering for direction, with respect to these items.)

QAR Instruction

- **2.7.** Northrop Grumman **Newport News Shipbuilders**, Nuclear (NGNNS) Material Control Level (MCL) Designations:

- **2.7.1. "CM-I"** Applies where NAVSHIPS Instruction C9890.34, NAVSEA Instruction C9210.34, or BUSHIP Instruction 4410.17 prescribes Level 1.
- **2.7.2. "CM-III"** Applies where NAVSHIPS Instruction 9890.34, NAVSEA Instruction C9210.34, or BUSHIPS Instruction 4410.17 prescribes Level III.
- **2.7.3. "CM-A"** A material control level assigned to Government Furnished Material (GFM) non-piping components (and GFM piping materials not assigned to CM-I or CM-III), and to selected NGNNS furnished non-piping ship components and materials for which no specific control level has been assigned by contract but for which special controls are needed for certain operations, as determined by NGNNS.
- **2.7.4. "CM-FAC"** A material control level assigned to selected items of NGNNS owned material, equipment, and facilities used in support of reactor plant construction, overhaul, and testing for which special controls are needed, as determined by NGNNS.
- **2.7.5. "CM (-)"** Reactor plant material which has not been assigned a CM designation and is processed and handled similarly to STD material and equipment.

QAR Instruction

- **2.8. DLA Inventory Control Points (ICPs)** contract identifiers – **These contracts are not part of the NSEP and the material should not be considered as NPM within the context of this Instruction**. Although some of these DLA/Defense Supply Center (DSC) contracts are identified as “Critical Application Items”, and may contain an IRPOD and/or a QALI, the requirements of this Instruction and Subsection do not apply. The QAR must still perform surveillance to the requirements of the DLA/DSC QALI, as applicable.

QAR Instruction

- **3.1. Supplier Quality Assurance (SQA) Oversight. -** The assigned QAR is responsible to identify the type of Navy Special Emphasis Program contract, plan and document the contract oversight functions in the FSIP, acknowledge the QALI/LOD, perform the mandatory inspection and/or oversight requirements as stated in the QALI/LOD or IRPOD, perform other normal or delegated SQA activities as applicable and document all SQA activities performed.

- **3.2. Alternate Release Procedures will not be applied.**

QAR Instruction

- **3.3. Minimum Mandatory Inspection - The assigned QAR must perform the Mandatory Inspection and/or oversight requirements as stated in the QALI/LOD.**

- **3.3.1. For NAVICP Code 87 procurements of less critical NSNs with no IRPOD and an X-SMIC suffix using a part number/drawing as the Technical Data Package (TDP), NAVICP will no longer automatically issue QALIs.**

- **3.3.1.1. In the absence of such QALIs, the QAR will perform surveillance and inspection to the requirements of the Standard NAVICP Code 87 NPM QALI/MI contained in Subsection 2A of this Instruction.**
- **3.3.1.2. For valve and valve repair parts with a SMIC of X4, the QAR shall use the "Minimum Mandatory Inspection Imposed by NAVICP 87 " form contained in Subsection 2A, and return the completed and signed form to the customer/delegating activity upon completion of the required minimum mandatory inspection and/or oversight requirements.**

QAR Instruction

- **3.4. A QALI will be issued by NAVICP Code 87 for contracts with an IRPOD**. This QALI will be sent to the QAR at place of performance along with the copy of the contract. DCMA requests for reduction of customer requirements based on past quality history or current Government in-plant oversight efforts will not normally be approved by the customer. Questions regarding the delegated functions must be referred to the customer/delegating activity. **If a QALI is not received with the contract for this type of procurement, the QAR must contact NAVICP Code 874 to request a copy. Mr. Gerald (Jerry) Keiser is the POC at phone number (717) 605-7704.**
- **3.5.** Regardless of the presence or absence of a QALI/LOD, for **all Code 87 contracts with a DD Form 1423 Contract Data Requirements List (CDRL), the QAR is to assure that the deliverable data, is complete and in compliance to the requirements of the DIDs and Specifications.**

QAR Instruction

- **3.6. NAVICP Code 87 NPM Procurements/Buys** are briefly described as the following:

- **3.6.1. CRITICAL NUCLEAR NSNs** with a X-SMIC suffix using an IRPOD as the Technical Data Package (TDP), requiring at least a CDRL for “Certificate of Compliance” (C of C), or a CDRL for “Report of Tests and Inspections” (ROTIs). In addition, other CDRLs may be invoked. **This type of buy will always have a QALI, and may or may not have IRPOD with MIs. This type of buy requires both a Nuclear (U20) certified QAR for product acceptance, and the return of a QALI/MI acknowledgement form** to acknowledge receipt of the QALI package. This is a traditional Code 87 buy.

QAR Instruction

- **3.6.2. LESS CRITICAL NUCLEAR NSNs** with an **X-SMIC suffix using a Part Number/Drawing as the TDP**. This type of buy has only minimal ordering data, and requires at least a DD Form 1423, CDRL for "C of C." **This type of buy will not contain a QALI and MIs imposed by NAVICP and instead, the QAR will perform surveillance and inspection to the requirements of the Standard NAVICP Code 87 NPM QALI contained in Subsection 2A of this Instruction**. The FAR Clause 52-246-15, Certificate of Conformance may be invoked in the contract, allowing the QAR to ship without performing on site inspection of the product. The decision to exercise this option must only be made after the QAR has performed and documented a risk assessment of the supplier's past performance history for the product or services being procured. This type of buy requires a Nuclear (U20) certified QAR.

QAR Instruction

- **3.6.3. LESS CRITICAL NSNs WITHOUT an X-SMIC suffix** with Nuclear or Moored Training Ship (MTS) applications, using either an IRPOD, or a Part Number/Drawing as the TDP. This type buy requires at least a DD Form 1423, CDRL for "C of C." The FAR Clause 52-246-15, Certificate of Conformance may be invoked. **This type buy WILL NOT have a QALI or Mandatory Inspections but still requires a Nuclear (U-20) certified QAR.** With or without a QALI, the **QAR will review the certification data package that is prepared to comply with the CDRL**.

QAR Instruction

- **3.7.** NNPP/NAVICP NPM LODs/QALIs are mailed to the QAR at the place of Inspection of Supplies, as cited in the contract, and are marked for the "Government QAR ONLY". The QAR must ensure that the contractor is aware of the fact that the QALI/LOD will be sent to the QAR at the contractor's facility and must not be opened by anyone but the assigned or alternate QAR. A good practice is to have the supplier establish a mail box for the QAR to receive all QALIs/LODs at that facility and request the contractor notify the QAR when mail is received.

QAR Instruction

- **3.7.1. The QAR performing MIs, at the time of inspection, must have in their possession and be guided by, that portion of the delegated MI requirements being performed.** Abbreviated notes or entries on contractor inspection records must not be used in lieu of the actual MI requirements.

- **3.7.2.** All QALIs/LODs must be acknowledged. **The signed acknowledgement form must be returned to the sender within the time specified within the QALI/LOD.**

- **3.7.3.** The QAR shall contact the Customer/Delegating Activity whenever QALI/LOD clarification is required.

QAR Instruction

- **3.8.** The QAR shall not provide contractual interpretations or clarifications to the supplier that would result in a constructive change to the contract. Should the supplier require assistance with contractual requirements, the supplier should be advised to submit such request through appropriate contractual channels for the contracts in question. For NPM contracts, all requests for contract clarification or interpretation must be processed using a DD Form 1716. This form is now available in electronic format using the DCMA E-Tools system. Copies of the DD Form 1716 must be sent to NAVICP Code 874 for processing, if the contract is a NAVICP NPM contract, otherwise the DD Form 1716 will be sent to the applicable contracting office.

QAR Instruction

- **3.9. Documentation and Inspection Record Retention - QAR's must document all SQA activities performed in accordance with the requirements of the basic section of this Instruction and the MIs stated in this Subsection.** Records maintained in an electronic media must be backed up every 30 days or sooner (depending on the volume of data) with a hard copy or other electronic media. **Copies of DCMA inspection records for each shipment of material must be provided to the customer.** DCMA records for NPM orders must be maintained for three years after last shipment, unless otherwise specified by the contract/purchase order.
- **3.10.** The minimum and mandatory training/certifications are described in Competencies/Certifications and are required to execute the NSEP Process.

QAR Instruction

SUBSECTION 2A
STANDARD NAVICP CODE 87 NPM QALI
AND
NAVICP MINIMUM MANDATORY INSPECTIONS
IMPOSED BY NAVICP CODE 87

- **Review Subsection 2A**

QAR Instruction

SUBSECTION 3

LEVEL 1 / SUBSAFE (L1/SS)

THIS SUBSECTION INCLUDES THE DEEP SUBMERGENCE SYSTEMS/SCOPE OF CERTIFICATION (DSSP/SOC) AND FLY BY WIRE (FBW) PROGRAMS

QAR Instruction

- **1.0** This subsection provides DCMA's mandatory administration responsibilities when assigned oversight of the Navy's Level 1/SUBSAFE contracts/purchase orders. **The requirements contained in this subsection must be performed on all L1/SS, DSSP/SOC AND FBW contracts/purchase orders**. In addition, the QAR must establish a FSIP and perform SAP process oversight at facilities with continuous L1/SS, DSSP/SOC AND FBW work.

- **2.1.** The purpose of DCMA administration of L1/SS contracts/purchase orders is to ensure the customer receives the properly purchased and manufactured components, material, services, and documentation that are essential to meet the requirements of the L1/SS Program. The failure of these mission essential items would have catastrophic and life threatening results.

QAR Instruction

- **The following indicators identify L1/SS, DSSP/SOC AND FBW contracts/purchase orders:**

- **2.2.1. "LEVEL I" or "SUBSAFE"** is printed or stamped on the front page of the contract.
- **2.2.2. National Stock Number suffix is one of the following Special Material Identification Codes (SMIC):**

- **2.2.2.1. L1 =** Level 1
- **2.2.2.2. SS =** SUBSAFE (identifier is not longer used on new procurements, but may be on older contracts)
- **2.2.2.3. SI =** Surface Level 1
- **2.2.2.4. CI =** Oxygen Clean Level 1
- **2.2.2.5. SB =** Oxygen Clean SUBSAFE
- **2.2.2.6. VG =** Oxygen Clean Quality Assurance
- **2.2.2.7. Q3 =** Quality Assurance
- **2.2.2.8. DO =** Oxygen/Hydrogen cleaned item that supports DSSP and is also L1/SS
- **2.2.2.9. D4 =** Deep Submergence Systems and could also be L1/SS
- **2.2.2.10. DG =** Oxygen clean DSSP and could also be L1/SS
- **2.2.2.11. VU =** FBW SMIC for Virginia Class
- **2.2.2.12. SW =** FBW SMIC for Seawolf Class

QAR Instruction

- **2.3. The following indicators identify General Dynamics Electric Boat (GD EB) L1/SS contracts/purchase orders:**

- **2.3.1 Level 1 Material –** Level 1 material is a designation for systems and components for which the Navy requires a high degree of assurance that the chemical composition and mechanical properties of the installed material meet the specified requirements.
- **2.3.2. Level 9 Material –** Any SUBSAFE QAL Category 1 or 2 or Type I item fabricated from HY80 bar stock that is not encompassed by the Level 1 material identification system.
- **2.3.3. SUBSAFE QAL CAT 1 or 2 or Type 1 or 2 materials:** Material to be used in areas to be audited for verification of hull and system integrity. (i.e., NAVSEA 0924-062-0010). Certification provides confidence in the material's ability to withstand the effects for submergence pressure and its recovery capabilities. The material may or may not also be Level 1.

QAR Instruction

- **2.3.4. Level 8 Material –** Material utilized on the following SUBSAFE categories not designated as Level 1 or Level 9 but which require submarine material certification:

- **2.3.4.1. QAL Category 1 (Trident)**
- **2.3.4.2. QAL Type 1 (688)**
- **2.3.4.3. QAL Category 2 (Trident)**
- **2.3.4.4. QAL Type 2 (688)**
- **2.3.4.5. Marking requirements for Level 8 are as specified for Level N/A SUBSAFE QAL Category 1 or Type 1 and Category 2 or Type 2.**

QAR Instruction

- **2.3.5. Level Q Material –** Level Q Material is material, which is controlled by the SEAWOLF fabrication documents (PPD 802-6335720, PPD 802-6335690 and PPD 802-63356689) and is not Level 1 per NAVSEA 0948-LP-045-7010 or Level 1 or III per NAVSEA 0900-070-6010. In addition certain components, as indicated by the Single Parts Master, which are not Level, I, but which form a part of the hull integrity boundary, are classified as Level Q. (NOTE: Certain Level Q components and raw materials which may be used to fabricate Level 1 parts will be handled as Level 1 per NAVSEA 00948-045-7010 and thus requiring assignment of a MIC number and input into the Material Quality System (MQS). Contact NAVSEA PQA Engineering for direction, with respect to these items.)
- **2.3.6. SC12-34** – Standard clause 12-34 identifies DSSP/SOC contracts.
- **2.3.7. VU - FBW** SMIC for Virginia Class
- **2.3.8. SW - FBW** SMIC for Seawolf Class

QAR Instruction

- **2.4. The following Material Control Level (MCL) designations identify Northrop Grumman Newport News Shipbuilders non-nuclear Level 1 contracts/purchase orders:**

- **2.4.1. "MC-I"** Metallic materials or components, which form or may be used to form a pressure boundary of a Level 1 piping system (or other specially designated system such as signal ejector, trash disposal, torpedo tubes, etc.).
- **2.4.2. "Q-1":**
- **2.4.2.1.** Metallic materials or components on CVNs not designated MC-I, which form a pressure boundary of an item of machinery or equipment (such as pumps, heat exchangers, throttle valves, accumulators, etc.), which require controls during processing from purchasing to installation in the ship.

QAR Instruction

- **2.4.2.2.** Metallic materials or components not designated as MC-I which form a part of the hull integrity boundary of a submarine. This includes such items as structural steel plates and shapes for submarine pressure hull structure, hard tank plating and stiffeners, submarine hard tank fittings, stuffing boxes, electrical cable connectors and stuffing tubes, etc.
- **2.4.2.3.** Metallic materials or components on surface ships which may require special controls; e.g., HY-80/100 plates for the Reactor Compartment Containment Boundary (including Pressurizer Shed) on CVN Class ships.
- **2.4.2.4.** Non-metallic materials such as gaskets, packing, and “O” rings used to ensure sealing of penetrations and accesses in the reactor compartment of CVN Class ships.

QAR Instruction

- **2.4.3. “STD” Material** which, except for Virginia Class submarines, has no special material verification or traceability requirements, and for which the controls afforded by the NGNNS production control system provide adequate assurance of the use of the correct material. Standard material may, however, require some special identification and handling due to safety or other considerations.
- **2.4.4. “STD-T” Certain (CVN) Aircraft Launch and Recovery Equipment (ALRE) system equipment, which requires special controls from procurement through installation.**
- **2.4.5. SC12-34** – Standard clause 12-34 identifies DSSP/SOC contracts.
- **2.4.6. The DLA Inventory Control Points and Supply Centers do not manage any Level 1 or SUBSAFE items.**

QAR Instruction

- **3.1. Supplier Quality Assurance (SQA) Oversight -** The assigned QAR is responsible to identify the contract, plan and document the contract oversight functions in the Facility Surveillance and Inspection Plan (FSIP), acknowledge the QALI/LOD, perform the mandatory inspection and/or oversight requirements as stated in the QALI/LOD, (QALI is in addition to normal SQA), perform other required SQA activities as applicable and document all SQA activities performed.

- **3.2. Alternate Release Procedures will not be applied.**

QAR Instruction

- **3.3. Minimum Mandatory Inspection and/or oversight requirements –** The assigned QAR must perform the L1/SS/DSSP/SOC Minimum Mandatory Inspection and/or oversight requirements as stated and made part of this Subsection, and as applicable to the L1/SS, DSSP/SOC, or FBW Contract/Purchase Order.

- **3.4. L1/SS QALIs/LODs –** NAVICP Code 8452 **will not normally issue a QALI unless there is a specific area for the QAR to focus on or if Radiography (L1 Stock RT Over read Program) is required.**

QAR Instruction

- **3.5. L1/SS QALI/LOD Re-Delegation:**

- **3.5.1.** The QAR must **re-delegate mandatory inspection and/or oversight requirements** when the mandatory functions cannot or will not be performed at the prime contractor's facility.
- **3.5.2.** The **prime QAR must re-delegate the SAP Material Control audit checklist to all L1/SS subcontractors, at least once every two years as defined in the SAP section (paragraph 3.8)** of the general requirements section of this instruction, unless directed by the procuring/delegating activity via the QALI or LOD to only perform the oversight functions defined in the QALI or LOD. The subcontractor QAR must input the audit results and follow-up actions into the Navy SAP database.

QAR Instruction

- **3.5. L1/SS QALI/LOD Re-Delegation:**

- **3.5.3. The QAR must notify the customer when re-delegating functions in support of the L1/SS program**. If the place of performance or location of manufacturing changes after contract award, the QAR must notify the customer, Code 8452.
- **3.5.4. All NAVICP Level 1/SS Stock Program contracts/purchase orders with Radiographic Non-Destructive Testing (NDT) invoked will also delegate the L1/SS Radiography (RT) Over Read Program requirements to the assigned QAR.** QARs must include surveillance of the RT process in their FSIP. When required by delegation, the QAR must complete the RT over read sheet by signing, stamping and dating the form before sending it to the Receipt Inspection Activity (RIA). If a subcontractor does the RT, the prime QAR must issue a LOD to the sub-tier QAR, and will forward the RT Over Read sheet to the subcontract QAR for completion. When the RT film is read, the QAR must ensure that the contractor marks the films, annotating all indications noted on the film, and provides a written explanation of the disposition of all of the indications to the RIA. The prime QAR is responsible for ensuring that the sub-tier QAR performed all delegated functions. All PQDRs for RT Over read Program rejects must be sent back to the prime QAR for investigation.

QAR Instruction

- **3.6. MIL-STD 271F –** Requirements for Nondestructive Testing Methods paragraph 1.7.3, contains a requirement which **requires the QAR to review contractor's NDT procedures/qualifications, as well as the associated training, certification/qualification and re-certification/re-qualification procedures.** The MIL-STD-271F also contains a requirement at **3.2.2.2 for the QAR to perform and document a survey of the contractor's radiographic facilities on a 12-month cycle**. The current revision of MIL-STD-271 is the NAVSEA Technical Publication T9074-AS-GIB-010/271, Requirements for Nondestructive Testing Methods, and it contains similar requirements at 1.7.2, 1.7.3 and 3.3.2.2. The **SAP audit checklist for Radiography must be used to perform and document the performance and results of the survey.**

- **3.6.1. All required NDT procedure reviews shall be documented,** in a convenient and auditable format.

QAR Instruction

- **3.7. L1/SS Traceability and Certification Requirements:**

- **3.7.1.** All L1/SS contracts/purchase orders with heat traceable materials contain contract clauses for “Traceability and Certification Requirements” and incorporate the DID DI-MISC-81020. QARs must audit the contractor's Material Control process area using the **SAP checklists number 6 and 15.**

- **3.7.1.1.** The DCMA QAR must assure that the contractor's and the subcontractors (via LOD to the sub-tier QAR) L1/SS traceability system/procedures adequately address/accomplish the following:

- **3.7.1.1.1.** Purchasing procedures effectively provide that contracts/purchase orders require subcontractors to mark material to the requirements of the prime contract to include “mercury free” requirements.
- **3.7.1.1.2.** Purchasing procedures ensure that contracts/purchase orders include “mercury free” requirements.
- **3.7.1.1.3 Procedures should require that traceability and the requirements of DI-MISC-81020 are passed down to the subcontractors, as required.**

QAR Instruction

- **3.7.1.2. Receiving inspection procedures should address the need to:**
  - Verify material heat/lot/batch (traceability) codes are permanently marked and agree with the codes on the certification/test report.
  - Accomplish a detailed review of the contents of the certification/test reports and assure compliance with specifications.
  - Document the inspection.
  - Explain the method of verifying that the material meets the requirements for chemistry, mechanical properties, and as applicable the class, form, condition, grade, type, finish, and composition.
  - Inspect the material certifications for proper format as required by DI-MISC-81020. Specifically, the certification must bear the testing company's letterhead and/or complete identification, the typed or printed name, organizational title and signature of the authorized representative of the company.

QAR Instruction

- **3.7.1.2. Receiving inspection procedures should address the need to:**
  - Maintain at least one copy of a legible material certification on file. It is important to note that certifications delivered to the Government need not be an original, but may be a photocopy of the original.
  - Detail how the contractor will verify that the certificates comply with the requirements of the contract/purchase order.
  - Assure that foreign certificates, when provided, are translated/converted to English/U.S. units of measure and annotate this information on the foreign certificate or an addendum. The certificate/addendum must also identify the name, title, and signature of the authorize representative performing the translation/conversion.
  - Evaluate certificates for instances of unauthorized corrections. Correction of certificates is permissible only by the company that issued the certificate and the correction must be provided with a signature and position of authority identified. Changes to material certifications without signature are only authorized when supporting documentation is attached to the original certification and it contains the name, title and signature of the authorized representative.

QAR Instruction

- **3.7.1.2. Receiving inspection procedures should address the need to:**
  - Assure that re-certification is accomplished whenever a material working process, such as heat treatment or forming (excluding marking) alters the original properties. In these cases, the traceability number/code will be modified. A unique code will be added to the original traceability documentation. Re-certification will be accomplished by re-testing the altered material for all mechanical properties identified in the specification. The certificate representing re-testing will meet the requirements of DI-MISC-81020 and together with the original certification will form a complete certification package.

QAR Instruction

- **3.7.1.3. The QAR must verify that the contractor's material control system accomplishes the following:**
  - Assures that raw material in storage is permanently identified.
  - Segregates traceable material in storage from non-traceable material
  - Controls material whose traceability marking(s) are removed during production processing and assures that remarking is accomplished under controlled conditions
  - Assures that in-process items are identified with traceability markings. It is acceptable for the traceability number to be identified on the documentation accompanying the material being processed, provided separate documentation is generated for each heat and lot so that identity is not lost.
  - Assures that subcontractors control traceability and mercury free.
  - Assures that unique traceability codes are applied when material is reworked which alters the original properties of the material.

QAR Instruction

- **As required by DI-MISC-80678:**
  - Assure that reports are typewritten in narrative format on the contractor's form and cover the type of certification specified in Block 3, "Subtitle" of the CDRL, DD Form 1423.
  - Assure the report contains the contract number and data item sequence number. This requirement applies to each sheet/page contained within a material certification data package.
  - Assure the Certification has supporting objective evidence of completion (i.e., documentation) of required tests, inspections and/or installations, as required.
  - Certifications that personnel have specific qualifications shall be supported by licenses, permits, tests, statements of competency, or other documentation. The specific capabilities to perform an assignment, inspection, or other operations shall be stated in the certification.
  - Certifications that documentation/data has been reviewed shall contain a statement of the “depth” of the examination and the results thereof. If the documentation being reviewed cannot be certified, the report shall so state and shall list the reasons.
  - Certification of compliance to the specification requirements shall be a statement to the effect that the contractor has complied.
  - Assure the certification report is signed by the contractor's authorized representative responsible for insuring that the equipment being delivered/service being performed.

QAR Instruction

- **3.7.2. L1/SS Source Certification Process –** The L1/SS program contract/purchase order sometimes requires material certification inspection and final acceptance at the contractor's facility. **These contracts/purchase orders are referred to as Source Certification Contracts and they are normally for Oxygen Clean material, some repair contracts, Trident Planned Equipment Repair (TRIPER) items, main propulsion shafts and other selected commodities**. NAVICP will issue a letter to the QAR identifying the point of contact at the RIA performing the source certification inspection. **This information is also cited in the contract and the QAR should not wait for the NAVICP letter in order to execute the notification process**. The assigned DCMA personnel must contact the RIA representative who will inspect, accept, certify and apply Level 1 MIC marking to the material, concurrent with the assigned QAR. **In order to verify that the supplier is ready for the RIA representative's visit, the QAR must inspect all available attributes, including the material certification packages, in advance of the RIA inspector's scheduled** visit to ensure that all associated attributes are compliant with the applicable contractual quality requirements.

QAR Instruction

- **3.7.2.1.** In support of this process the QAR will perform the following functions: The QAR must contact the RIA representative when this requirement is imposed in the contract/purchase order. In accordance with the contract, the contractor must provide a minimum of seven (7) government working days advance notice to the QAR when material will be ready for acceptance inspection and **prior to oxygen/nitrogen clean service.**
- **3.7.2.2. The QAR must contact the RIA to coordinate the certification visit schedule**. The RIA will notify NAVICP of the certification visit schedule, so proper arrangements can be made for engineering, quality, and DCMA support, if applicable.
- **3.7.2.3.** Material offered for delivery to the Government must be inspected/verified by the QAR and the Navy certifying activity representative(s) in accordance with their respective procedures.
- **3.7.2.4. The applicable Navy personnel will accomplish all administrative arrangements and formal notifications of visits, including forwarding of security clearances**, when necessary. **Navy personnel will coordinate all specific on-site actions with the QAR prior to visits and performance of duties.**

QAR Instruction

- **3.7.2.5.** If the QAR and the Navy certification activity representative, any other PCO representative and the NAVSEALOGCEN representative cannot agree on acceptance/rejection of the material presented, then:

- **3.7.2.5.1.** The Navy certification activity representative will immediately notify NAVICP, (Code 8452).
- **3.7.2.5.2.** The QAR must immediately notify the Team Leader/appropriate NSEP staff specialist.
- **3.7.2.5.3.** All possible efforts to resolve the inspection impasse will be made by all parties prior to signing the DD Form 250. If all efforts fail, NAVICP Code 8452 and HQ NSEPM will be notified to resolve the impasse.

QAR Instruction

- **3.7.2.6.** The Navy certification activity representative(s) will prepare a trip report for all material which documents the findings, corrective actions taken, if applicable, deviations granted, discussions and recommendations.

- **3.7.2.7.** Unless otherwise directed, **the assigned DCMA QAR must follow-up on any CARs issued and must ensure satisfactory corrective action is taken**. A copy of any Level III or IV CAR must be sent to Code 8452.

QAR Instruction

- **3.8. DCMA Support to L1/SS Product Oriented Surveys (POS) –** The L1/SS customer may independently conduct a POS or “Special Quality Survey” on L1/SS contracts/purchase orders under DCMA cognizance to determine the adequacy of the technical requirements relating to quality and product conformance to design intent. The customer may also elect to participate in a DCMA quality audit to determine compliance to the contractual quality provisions. To the extent possible, **DCMA will be responsive and schedule joint quality audits, when requested by the customer**. Deficiencies identified during these surveys must be formally transmitted to the contractor with a request for corrective action. The contractor's response to the corrective actions on the deficiencies reported during these surveys and audits must be provided to the customer for concurrence prior to acceptance.

QAR Instruction

- **3.9. Clarification of Contract Requirements –** The QAR shall not provide contractual interpretations or clarifications to the supplier that would result in a constructive change to the contract. Should the supplier require assistance with contractual requirements, the supplier should be advised to submit such request through appropriate contractual channels for the contracts in question. Requests for contract clarification or interpretation on all L1/SS contracts, must be processed using a DD Form 1716. This form is now available in electronic format using the DCMA E-Tools system. Copies of the DD Form 1716, for NAVICP L1/SS contracts, must be sent to NAVICP Code 8452 for processing.

QAR Instruction

- **3.10. Non-Conforming Material –** On **L1/SS contracts/purchase orders, any non-compliance** to contract requirements affecting product and/or documentation **must be considered as critical or major non-conformance** in accordance with current DCMA policy, and **will require procuring activity approval to accept**. The QAR must not accept the non-conformance unless authorized by the customer. **Material Review Board authority is withheld on all L1/SS contracts/purchase orders.**

QAR Instruction

- **3.11. Documentation and Inspection Record Retention – QAR's must document all SQA activities performed in accordance with the requirements of the basic section of this chapter and the MIs stated in this sub-section**. Records maintained in an electronic media must be backed up with a hard copy or other electronic media. Records must be backed up every 30 days or sooner depending on the volume of data. Copies of DCMA inspection records and the associated "Completion of MIs form" for each shipment of material must be provided to the customer, as directed in this Instruction and when required by the NSEP customer. DCMA records for L1/SS and NPM orders must be maintained for three years after last shipment, unless specified by the contract/purchase order.
- **3.12. The minimum and mandatory training/certifications are described in Competencies/Certifications and are required to execute the NSEP Process.**

QAR Instruction

SUBSECTION 3A

MINIMUM MANDATORY INSPECTION REQUIREMENTS FOR LEVEL I/SUBSAFE AND DEEP SUBMERGENCE SYSTEMS PROGRAM

QAR Instruction

- **1. Documentation (Attribute Code 01):** For each inspection lot, the QAR must verify through 100% record review of documentation required by the CDRL is complete in quantity and content, is accurate, legible and signed by an appropriate representative. The documentation shall be directly traceable to the material being shipped and included with each shipment.

- **2. Packaging and Packing (Attribute Code 03):**

- **2.1.** For each inspection lot, the QAR will inspect a sample selected using Table 1.
- **2.2.** The QAR will perform 100% Record Review of all required packaging and packing documentation for each lot.

QAR Instruction

- **3. Visual (Attribute Code 04):** For each inspection lot, the QAR will visually inspect using the sampling plan in the product specification, or Table 1 if not specified, in accordance with contract requirements. Inner and outer surfaces will be free of dirt, chips, scale or foreign substances; and there are no dents, burrs, gouges or grinding marks restricting flow or violate minimum wall thickness and sealing surfaces. Fasteners and weld rod will be inspected using the sampling plan in the product specification, or Table 1, if not specified.
- **4. Material Identification (Attribute Code 05):** For each inspection lot, the QAR will visually inspect each piece (100%) to ensure markings are legible and directly traceable to the certification provided in accordance with the contract and DI-MISC-81020. Fasteners and weld rod will be inspected using the sampling plan in the product specification, or Table 1 if not specified.

QAR Instruction

- **5. Material Verification (Attribute Code 06):** The QAR will perform a 100% review of the material certification data package to ensure contract compliance including DID DI-MISC-81020.

- **6. Radiography (RT) (Attribute Code 07):**

- **6.1.** For each item requiring radiography, a RT certified DCMA representative will review (100%) the shooting sketches and radiographs for quality and contract conformance.
- **6.2.** The certified DCMA representative will document the results of their review on the RT checklist provided via customer QALI.
- **6.3.** The certified DCMA representative will sign, date, and return the completed RT checklist with each shipment.

QAR Instruction

- **7. Non-Destructive Testing (NDT): Magnetic Particle Test (MT – Attribute Code 08), Ultrasonic Test (UT – Attribute Code 09), Penetrant Test (PT – Attribute Code 10)**

- **7.1.** For each inspection lot, the QAR will witness complete the first piece and sample inspect the remainder of the lot using Table 1.
- **7.2.** The QAR must perform a documented review of all associated NDT test procedures (MT, UT, & PT).

QAR Instruction

- **8. Pressure Test (Attribute Code 12):**

- **8.1.** For each inspection lot, the QAR will witness complete the first piece and sample inspect the remainder of the lot using Table 1.
- **8.2.** The QAR must perform a documented review of all associated Pressure Test procedures.

- **9. Dimensions (Attribute Code 15):** For each inspection lot, the QAR shall use a contractual identified sample plan or Table 1, if not specified.

- **Note:** Particular attention should be given to dimensional attributes affecting form, fit, and function, e.g., threaded dimensions (including threaded bolt hole depth), mating surfaces, sealing surfaces, o-ring grooves, surface finish, close tolerance dimensions and dimensions marked as critical.

QAR Instruction

- **10. Finish (Attribute Code 19):** For each inspection lot, the QAR will inspect using the sampling plan in the product specification, or Table 1, if not specified, for surface finish, grade, type and coverage in accordance with contract requirements, including plated and coated surfaces.

- **11. Torque (Attribute Code - NA)** For each inspection lot, the QAR will witness complete the first piece and sample inspect the remainder of the lot using Table 1.

QAR Instruction

- When sampling plans are not identified by either the contract or the material/product specification, in the absence of a customer approved sampling plan, and as referenced in this Instruction, **the QAR will use Table 1 (zero based sampling plan), using an Acceptance Quality Level (AQL) of 1.0 %. Increasing an AQL level (from 1.0% to 1.5%) is prohibited without prior written customer approval.**

- **Review Sampling Table 1**

QAR Instruction

SUBSECTION 4

NAVY PROPULSION PROGRAM (NPP)

QAR Instruction

- **1.** This subsection provides DCMA's mandatory administration responsibilities when assigned oversight of the Navy's NPP contracts/purchase orders. The requirements contained in this subsection must be performed on all NPP contracts/purchase orders. In addition, the QAR must establish a FSIP and perform SAP process oversight at facilities with continuous NPP work.

- **2.** The purpose of DCMA administration of NPP contracts/purchase orders is to ensure the customer receives the properly purchased and manufactured components, material, services, and documentation that are essential to meet the requirements of the NPP Program. The failure of these mission essential items would have catastrophic and life threatening results.

QAR Instruction

- **2.1. The following indicators identify NPP contracts/purchase orders:**

2.1.1. Submarine Shafts: Submarine Shafting contracts for manufacture or repair will be stamped **SUBSAFE on the front** of the contract. The **National Stock Number suffix will be marked SS for SUBSAFE**.

2.1.2. Ship propellers and propulsion shafting contracts (including submarine shafting) will have a **National Stock Number prefix of 2S or 4Y.**

2.1.3. When delivery orders are issued using Basic Ordering Agreements (BOAs), each delivery order must contain only one monobloc propeller, one controllable pitch propeller blade set or one main propulsion shaft. Additionally, pre-repair and repair options must be exercised on the same delivery order. This permits ease of administration for customers, contractors and DCMA personnel.

QAR Instruction

- **3.1. Supplier Quality Assurance (SQA) Oversight. -** The assigned QAR is responsible to identify the contract, plan and document the contract oversight functions in the Facility Surveillance and Inspection Plan (FSIP), acknowledge the QALI/LOD, perform the mandatory inspection and/or oversight requirements as stated in the QALI/LOD, and perform other required NSEP activities as applicable and document all SQA activities performed. On all NPP orders, elements that appear to be unnecessary or excessive must be referred with supportive documentation to the DCMA NPP Lead Agent prior to submission to the customer.

QAR Instruction

- **3.2. Quality Assurance Letter of Instruction (QALI).** The NAVSEA Standard QALI for propeller inspection must be utilized to establish the minimum level of inspection required. **Standard Shafting QALIs (i.e., JFC, EFS) have been provided directly to affected facilities and must be utilized.**
- **3.2.1.** The QAR must perform Product Audits of propellers in accordance with the QALI. **The QAR must witness the contractor perform and document a visual preservation inspection of propellers prior to shipment. The QAR must witness the contractor perform and document a visual technical inspection of propellers prior to and after repair.** A visual technical inspection is required if a visual preservation inspection is unsatisfactory. **Forms for documenting inspections are available on the NPP web page** (http://spt.dcmdw.dcma.mil/).

QAR Instruction

- **3.2.2.** The QAR must perform **Product Audits of main propulsion shafting in accordance with the QALI**. The **QAR must witness the contractor perform and document a visual preservation inspection of main propulsion shafts prior to shipment**. Forms for documenting inspections are available on the NPP web page (http://spt.dcmdw.dcma.mil/).
- **3.2.3.** Product Audits involving dimensional inspection of propeller blade gages, taper plug gages or taper ring gages must not be performed except as directed by the DCMA NPP Lead Agent. **The QAR must witness the contractor perform and document a visual inspection of government furnished gages upon receipt and prior to shipment of any gage**. Forms for documenting inspections are available on the NPP web page (http://spt.dcmdw.dcma.mil/).

QAR Instruction

- **3.2.4. Receipt of Ship Propellers, Propulsion Shafting and Gages - QARs must ensure that ship propellers and propulsion shafting and gages are inspected for proper preservation packaging and marking upon receipt**. When items are received that are not properly preserved, packaged or marked, or items appear to be damaged as a result of transportation, the QAR must ensure that the deficient conditions are properly documented and reported on a Report of Discrepancy (ROD) and distributed as specified in DLAR 4140.55. A copy of the visual preservation inspection report must be provided as an attachment to the ROD. Additional distribution must include one copy to NAVICP Inventory Manager, DCMA NPP Lead Agent, and Cognizant Technical Office.
- **3.2.5. Report Review -** All reports must be reviewed to ensure they reflect the actual condition of the propeller or shaft.

QAR Instruction

- **3.3. Propeller & Shafting Certification -** Ship propellers and propulsion shafting require certification by government personnel after completion of all work, but prior to shipment. **QARs must not sign the DD Form 250 for product acceptance until the final inspection report and Requests for Waivers (RFWs) and Requests for Deviations (RFDs),** if any, have been reviewed and approved by the customer's technical activity. Upon approval of the report and RFWs or RFDs, the QAR must sign the appropriate certification document. Signature of the certification document by DCMA personnel indicates that:

- **3.3.1.** The final inspection report is an accurate representation of the propeller or shaft.
- **3.3.2.** The propeller or shaft conforms to contractually specified technical requirements except as specified in approved RFWs or RFDs.
- **3.3.3.** RFWs and/or RFDs have been recorded on the certification sheet.

QAR Instruction

- **3.4. Requests for Waivers (RFWs) and Requests for Deviations (RFDs) -** Authority for the acceptance of minor Type II RFWs/RFDs is normally withheld from DCMA by the QALI/LOD and/or the contract/purchase order. RFWs/RFDs for Ship Propellers must be processed as follows:

- **3.4.1.** The **QAR must review each RFW or RFD for Ship Propellers for accuracy, adequacy and classification**.
- **3.4.2. The QAR must generate a DD Form 1998**, Comments on Waiver, Deviation, or Engineering Change Request, providing comments (i.e., pre-existing and/or recurring conditions, assessment of need for waiver/deviation and assessment of cost/schedule impact) and attach it to the original RFW or RFD.
- **3.4.3.** When RFWs or RFDs are submitted, a copy of the request with supportive documentation must be simultaneously submitted to the contracting office and the cognizant technical office. **A copy of the request must be forwarded to the cognizant DCMA ACO and engineering staff for information.**
- **3.4.4. It is not necessary to route** RFW or RFDs **through the cognizant DCMA ACO or engineering staff specialist prior to submission.** This will expedite review and disposition of RFWs and RFDs, shortening manufacture and repair cycle time.

QAR Instruction

- **3.5. Quality System/Program Audits -** Pitchometer and/or equivalent inspection system calibration is a critical process and must be coordinated with the DCMA NPP Lead Agent.
- **3.6. Deficiency Reports -** The QAR must forward copies of all PQDRs and any subsequent responses to the DCMA NPP Lead Agent, for information, on all NPP contracts/purchase orders.
- **3.7. Records -** DCMA records of inspections and tests for the NPP must be maintained for a minimum of 10 years unless otherwise specified.
- **3.8. The minimum and mandatory training/certifications are described in <u>Competencies/Certifications</u> and are required to execute the NSEP Process.**